



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

27TH ANNUAL REPORT

DECEMBER 31, 2000

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AGENCY OVERVIEW

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

MISSION AND VISION STATEMENTS

MISSION STATEMENT

The primary statutory mission of the DEPARTMENT OF FINANCIAL INSTITUTIONS is to provide the citizens of Tennessee with a sound system of state-chartered financial institutions by:

- *providing for and encouraging the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interest of depositors; and*
- *seeking to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations.*

The Department is further committed to the provision of quality constituent services to the institutions it examines, supervises and regulates; the citizens of the State of Tennessee; members of the Tennessee General Assembly and of Congress; the Office of the Governor and other agencies of the state and federal governments; other state and federal financial institutions' regulatory agencies; and to the provision of quality management of its personnel and fiscal resources.

VISION STATEMENT

We seek to sustain an environment in the Great State of Tennessee which fosters a feeling of confidence and security among its citizens in regard to their choice of financial institutions. We advocate the continuance of the dual chartering system which allows us to provide a financial regulatory structure which more efficiently meets the needs and economic welfare of the residents of our State. The management of the department strives to foster a sense of job satisfaction and ample career path opportunities to assure we are adequately staffed with well qualified, experienced, and long-tenured employees. As a strong team, we can be more diligent, efficient, effective, responsive, and innovative in administering our duties. We continuously strive to make the Tennessee state charter the charter of choice and the Department of Financial Institutions the preferred financial services regulatory agency in the State of Tennessee.

LETTER FROM COMMISSIONER BILL C. HOUSTON



I am pleased to present this Twenty-seventh Annual Report of the Department of Financial Institutions.

The Year 2000 was generally favorable for financial institutions although it was also transitional in several ways. Congressional passage of the Gramm-Leach-Bliley Act on November 12, 1999, permitted the creation of new financial services holding companies that can offer a full range of new financial products and services. This legislative amalgamation of the banking, securities, and insurance industries did not spur a great deal of inter-industry merger activity but will enable banks and other financial companies to offer a broader array of financial products in the future.

Financial companies continued to grow in terms of assets and income but at a slower pace than in past years. Mortgage markets were a little unstable as interest rates rose during the first half of the year then started a declining trend during the last six months. Some deterioration in credit quality also prompted slightly higher provisions for loan losses and increased loan underwriting standards.

During the year, the Department continued to improve its ability to identify and correct emerging problem situations. Particular attention was devoted to uncovering predatory lending activities and dealing forcefully with those responsible. The Department is fully committed to assuring that Tennessee's financial institutions are financially sound and provide quality service to our citizens. Activities of the Department are outlined on the following pages and I am proud to present this report covering the accomplishments of our staff during the year 2000.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

HEADQUARTERS PERSONNEL - NASHVILLE

(STAFFING REFLECTED AS OF 12-31-00)

COMMISSIONER'S OFFICE

Bill C. Houston, Commissioner

Kayce Cawthon-Stoker, Administrative Assistant, Records Officer

Paula J. Cagle, CPS, Executive Secretary

LEGAL DIVISION

Greg Gonzales, General Counsel

Tina G. Miller, Attorney

Marsha P. Anderson, Attorney

David G. Taylor, Attorney

Debra C. Grissom, Paralegal

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

Harry P. Linn, CFE, Assistant Commissioner

HUMAN RESOURCES

Cynthia L. Wilson, Personnel Analyst

TRAINING

Dennis H. Shipp, CEM, CFE, Program Administrator

FISCAL SERVICES

Carolyn G. Merhar, Fiscal Officer

Douglas J. Lapka, Accountant

Barbara A. Jones, Administrative Services Assistant

Penny S. Vaden, Administrative Secretary

INFORMATION SYSTEMS

William B. Wooten, CISA, CDRP, CSP, Director

Mary E. Wilhite, CNA, Information Resource Specialist

Patti A. Miller, Programmer Analyst

CREDIT UNION DIVISION

Harry P. Murphy, CFE, Assistant Commissioner

DeLynn Hancock, Executive Secretary

Paul L. Foster, Manager

Stanley H. Griffin, Administrative Secretary

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

HEADQUARTERS PERSONNEL - NASHVILLE

(STAFFING REFLECTED AS OF 12-31-00)

BANK DIVISION

Derek L. Carrier, Assistant Commissioner

Pansy Pardue–Leech, Executive Secretary

APPLICATIONS

Curtis F. Faulkner, Program Administrator

Paula H. Miller, Administrative Services Assistant

BANK EXAMINATIONS & FINANCIAL ANALYSIS

James S. Douthit, Chief Administrator

Jean Jackson, Administrative Secretary

Storm A. Miller, Financial Analyst

Joyce Simmons, CPA, Financial Analyst

TRUST EXAMINATIONS

Vivian Y. S. Lamb, CEM, Program Administrator

COMPLIANCE DIVISION

Roger W. Thomas, CFSA, Assistant Commissioner

Jean A. Rosalez, Executive Secretary

Maclin D. Whiteman, Financial Analyst

APPLICATIONS

Carl Scott, CFSA, Director

Betty Osborne, Administrative Secretary

CHECK CASHING/DEFERRED PRESENTMENT

Steven E. Henley, CPA, Director

Amy Ballard, Administrative Secretary

EXAMINATIONS

Nita H. Taylor, Director

Lisa J. Gregg, Administrative Secretary

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

EXAMINATION PERSONNEL

(AS OF 12-31-00)

BANK DIVISION EXAMINERS

West Tennessee District

Shirley Sanderson, CEM, – Manager

Off-Site Monitoring Supervisor – Phil Stafford, CEIC

Trust Examinations Specialist – Bruce Allen, CEIC, CFE, IV

66 Banks

\$7.8 Billion in Assets

Terry Warren, CEIC, CRE, Supervisor

Vicki Ivey, CEIC, CFE, IV

Dana Owen, CEIC, Certified Fraud Exam., IV

Robert Prather, CEIC, CFE, IV

Robert Shannon, CEIC, CFE, IV

Roxanne Taylor, CEIC, CFE, IV

Danny Nolen, CEM, CFE, Supervisor

Jerry Davis, CEIC, CFE, IV

Laurie Gaddis-Durham, CEIC, CFE, IV

Debora King, CEIC, CFE, IV

Timothy Runions, CEIC, CFE, IV

Middle Tennessee District

Harrison White, CFE, CEM – Manager

Off-Site Monitoring Supervisor – Joe P. Boaz, CEM

Trust Examination Specialist – Tod Trulove, AFE, CEIC, IV

53 Banks

\$5.8 Billion in Assets

Irving B. Ginsberg, CEF, CFE, Supervisor

Lee Pedigo, AFE, IV

Michael Sisk, CEIC, AFE, IV

David Tate

Todd Rice, CEM, Supervisor

Sherri Cassetty, STAT, CEIC, IV

Kenneth Hensley, Bank Financial Analyst

John Hudson, CEIC, IV

Clyde McClaren, AFE, IV

East Tennessee District

Kenneth Kelley, CEM – Manager

Off-Site Monitoring Supervisor – Louella H. McElroy, CEM

Trust Examination Specialist – Wade McCullough, CEIC, CFE, IV

50 Banks

\$8.3 Billion in Assets

Chester Justice, Jr., CEM, Supervisor

Robin Culbertson, CEIC, IV

Timothy Poteet, AFE, CEIC, IV

Jason B. Wilkinson, CEIC, IV

Claude N. Huff, Jr., CEF, CFE, Supervisor

Bill Cave, CEIC, CFE, IV

Jonathan Piper, CEIC, IV

Teresa Weaver, CFE, CEIC, IV

Alfred Hacker, III

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

EXAMINATION PERSONNEL

(AS OF 12-31-00)

CREDIT UNION EXAMINERS

Total Assets in Billions – \$4.1

Total Number of Credit Unions – 149

(As of 12-31-2000)

West/Middle Tennessee District

81 Credit Unions
\$2.1 Billion in Assets

Randall D. Means, V, Supervisor

Alan Gober, IV
Steve Eddings, CFE, IV
Tom Harper, IV
Vickie L. Young, IV

East Tennessee District

68 Credit Unions
\$2.0 Billion in Assets

John R. Shires, V, Supervisor

Eric D. Batts, CFE, IV
Shane Hardin, IV
Lance Hogelin, AFE, IV
Greg Perry, CFE, IV
Dwight Ward, I

COMPLIANCE DIVISION EXAMINERS

West

David Reynolds, CFSA, IV
Patrick Ryan, CFSA, III
Marilyn Schroepel, III

Middle

Robert Campbell, I
Robert Doyle, III
Gene Smith, CFSA, III
Jane Williams, CFSA, III

East

Chris Adams, CFSA, Certified
Fraud Examiner, III
Frank Barnes, CFSA, II
Brian Williams, II
Dennis Woodmore, CFSA, III

Key to Staff Title Designations:

“AFE” Accredited Financial Examiner; “CDRP” Certified Disaster Recovery Planner; “CEIC” Certified Examiner-in-Charge; “CEM” Certified Examinations Manager; “CFE” Certified Financial Examiner; “CFSA” Certified Financial Services Auditor; “CISA” Certified Information Systems Auditor; “CPA” Certified Public Accountant; CPS Certified Professional Secretary; “CSP” Certified Systems Professional. *Roman Numerals denote field examiner level.*

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TOTAL NUMBER OF STATE-CHARTERED INSTITUTIONS AND LICENSEES

CHARTERS	December 31, 2000	December 31, 1999
Commercial Banks/Savings Banks	169	170
Trust Companies	13	14
BIDCOs	3	4
Credit Unions	149	151
TOTAL NUMBER OF CHARTERS	334	339
 LICENSEES		
Industrial Loan and Thrift Companies	842	889
Insurance Premium Finance Companies	73	74
Mortgage Companies	1,113	1,095
Money Transmitters	33	32
Deferred Presentment	968	819
Check Cashers	300	230
TOTAL NUMBER OF LICENSEES	3,329	3,139



ADMINISTRATIVE AND SUPPORT SERVICES

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

The **ADMINISTRATIVE AND SUPPORT SERVICES DIVISION** administers the Department's budget and oversees fiscal services, human resources, training and development, and information systems. The Department of Financial Institutions is entirely supported by the institutions regulated and supervised by the Department.

Departmental turnover was eleven percent for CY 2000, of which two percent represented field examiner turnover. The average tenure of the Department's field examining force is now fourteen years for Bank Examiners, twelve years for Credit Union Examiners, and seven years for Compliance Examiners. The Department continues to work with both the Department of Personnel and the Department of Finance and Administration in attempts to provide an improved career path with salary progression for our examining personnel.

At the end of FY 2000, the Department had a surplus of \$709,046.57. An amount of \$404,156.54 was rebated to the banks in accordance with T.C.A. § 45-1-118(d)(2) and \$304,890.03 reverted to the State's General Fund.

When January 1, 2000 rolled around, all of the Department's internal systems were found Y2K compliant and the 21st Century date changeover was a non-event. In the area of other accomplishments in 2000, access to the Department's Twenty-sixth Annual Report was made available via our Web Site on the Internet. This media of communication will continue to be used for our Annual Report distribution, as the savings are significant in this type of distribution. We invite you to visit our Web Site at <http://www.state.tn.us/financialinst>. Also in 2000, certain types of correspondence from regulators and the regulated and licensed financial institutions can now be scanned at our Central Office and transmitted to our Field Offices and examiners over the State's Network, thus saving time and money over other types of distribution.

In July 2000, the Compliance Division was able to put into production a dedicated UNIX server which houses their licensing application software as well as a packaged software retrieval system to generate inquiries regarding property ownership, property values for tax purposes, and liens held on property in Tennessee.

The Department operates a LAN/WAN Novell Network that connects the Field Offices across the State with our Central Office. Examiners not working from a Field Office have the ability to access the State Network by remote dial-in.

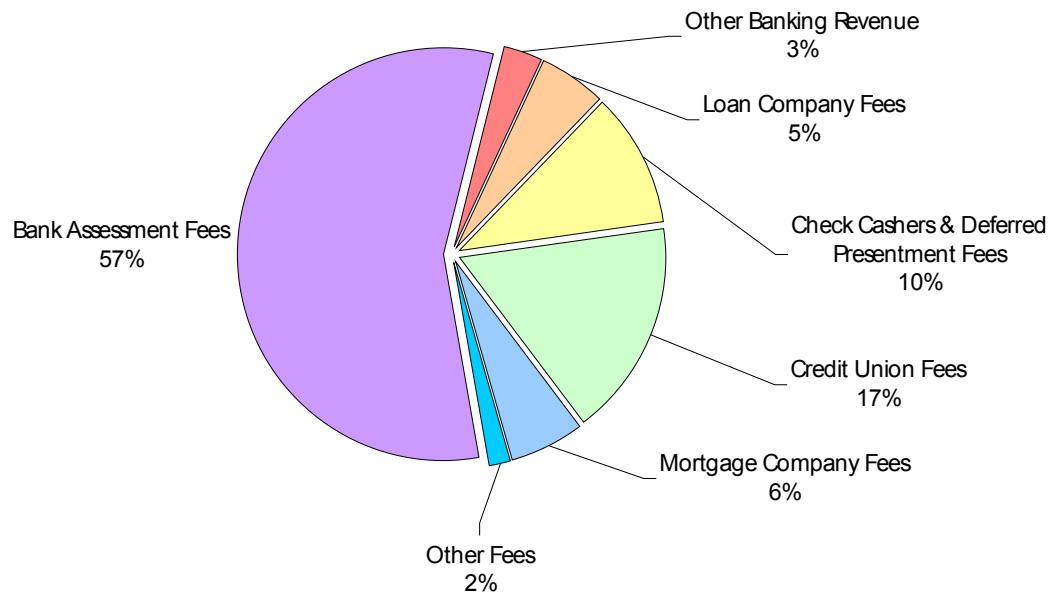
The continuing development and maintenance of qualified examining staff is one of our major priorities. To ensure value, the Department's training needs are annually assessed and budgeted. The majority of the structured training curriculum is acquired through external training sources such as the FDIC, the National Credit Union Administration, the Board of Governors of the Federal Reserve System, the Education Foundation of State Bank Supervisors, the National Association of State Credit Union Supervisors, the Federal Financial Institutions Examination Council, the National Association of Consumer Credit Administrators, as well as other sources. In 2000, departmental personnel attended 289 training sessions, of which some contained technology and specialty training. Some of the programs attended were basic and advanced trust schools, Web banking and electronic banking programs, Information Systems schools and seminars, and capital market programs. One of our examiners attended the first year of the LSU Graduate School of Banking, while another examiner completed the second year of the Southern Trust Graduate Trust School. In addition to the above listed programs, the majority of our staff attended the Eleventh Annual Examiner's Conference, which focused mainly on financial institutions education presentations.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

ADMINISTRATIVE AND SUPPORT SERVICES DIVISION

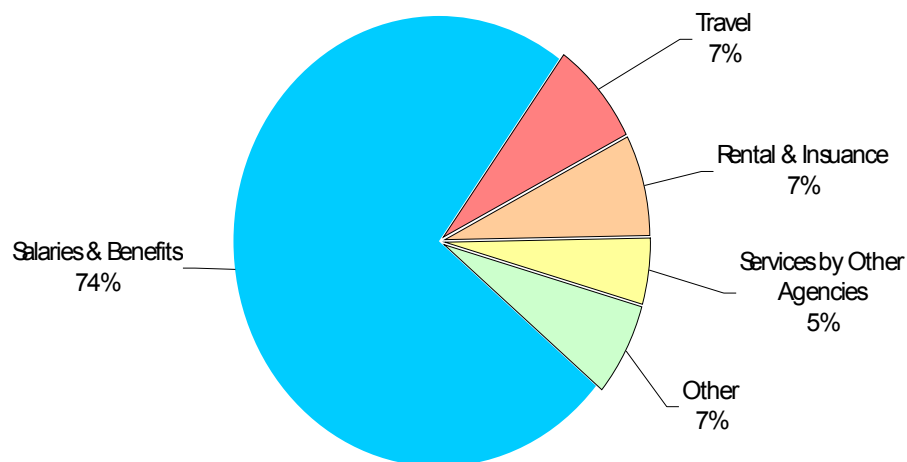
FISCAL YEAR 1999 - 2000

FUNDING SOURCES



Note: Other Fees include Insurance Premium Finance Companies, Money Transmitters, and Miscellaneous Fees.

EXPENDITURES



Note: Other Expenditures include Printing & Duplicating, Communications, Maintenance & Repairs, Supplies, Awards & Indemnities, Training, and Equipment.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

EXPENDITURES AND FUNDING SOURCES FY 1999-2000

REVENUES

Appropriations – Bank Assessment Fees	\$4,523,270.00
Other Banking Revenue	238,484.36
Credit Union Fees	1,353,259.45
Money Order Fees	91,572.00
Loan Company Fees	431,800.00
Insurance Premium Finance Company Fees	30,325.00
Mortgage Company Fees	478,925.00
Check Cashers Fees	169,050.00
Deferred Presentment Fees	656,950.00
Miscellaneous	6,339.76

TOTAL REVENUES	\$7,979,975.57
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EXPENDITURES

Personal Services	\$4,408,282.53
Employee Benefits	969,530.73

TOTAL PAYROLL	\$5,377,813.26
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Travel	\$535,186.10
Printing, Duplication, and Film Processing	39,622.34
Communication and Shipping Costs	29,855.96
Maintenance, Repairs, and Services	1,414.70
Professional and Administrative Services	349,848.02
Supplies	149,913.75
Rentals and Insurance	527,224.81
Awards and Indemnities	1,690.79
Grants and Subsidies (Training)	44,123.38
Equipment	(1,258.11)
Administrative Overhead	215,494.00

TOTAL OTHER	\$1,893,115.74
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TOTAL EXPENDITURES	\$7,270,929.00
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EXCESS OF REVENUE OVER EXPENDITURES	\$709,046.57
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REBATED TO BANKS	\$404,156.54
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REVERTED TO GENERAL FUND	\$304,890.03
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LEGAL DIVISION

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

LEGAL DIVISION

The **LEGAL DIVISION** provides legal advice and representation for the Department. This Division consists of a General Counsel, two staff attorney positions, and a paralegal.

The Department's lawyers advise the Commissioner and departmental personnel in all legal matters affecting the Department. They work with regulated entities and the general public in addressing legal issues. They also work closely with the Governor's Office and the Tennessee General Assembly on legislative issues affecting financial institutions. The Legal Division also assists in the coordination of enforcement initiatives with other federal and state regulators as well as with various law enforcement agencies.

The Legal Division was heavily involved in the 2000 Legislative session as the Department's legislative liaison by tracking numerous bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. This Division provided assistance to our operating divisions on issues involving bank and trust company operations including interstate transactions, bank and credit union applications, money transmission, check cashing, deferred presentment, mortgage companies, and credit union field of membership, plus several other issues. The Legal Division is significantly involved in the day-to-day decision making process of the Department.

BILLS IMPACTING THE DEPARTMENT

Public Chapter 852
Amends T.C.A. Section 50-6-225 (Also Adds New Section)
Effective Date July 1, 2000

Public Chapter 852 amends T.C.A. §50-6-225, with regard to interest on judgments under the worker's compensation law. Specifically, Section 7 makes clear that, in the event a judgment entered by a trial court in a worker's compensation case is appealed, interest on the judgment shall be computed at an annual rate of five percentage points above the average prime loan rate from the date that the judgment is entered by the trial court. Prior law did not specify the date from which interest was calculated. Moreover, Section 7 states that, in calculating the accrual of interest, the average prime loan rate on the day the trial court entered judgment shall be used.

Section 8 adds a new section to T.C.A. §50-6-225, requiring the Department of Financial Institutions to maintain a listing of the average prime loan rate and to respond to inquiries concerning what the average prime loan rate was on a given month and year. The Commissioner is further required, if the person inquiring requests, to send a letter certifying what the average prime loan rate was on the month and day requested. The Commissioner can charge a fee not to exceed \$10.00 for preparing and sending the letter.

Public Chapter 629
Amends T.C.A. Title 47 (New Section)
Effective Date January 1, 2001

Public Chapter 629 amends T.C.A. §47-14-108 – the provision in Tennessee's general usury laws on prepayment of loans – by adding a new section. This law specifically applies to contracts for consumer loans which are not subject to the Federal Truth in Lending Act and which do not allow pre-payment of the loan or impose a penalty for prepayment. Under this law, the contract shall, "state on its face in at least 10-point bold type in language separated from the other language in the contract by bold print dividing lines that it cannot be prepaid or that there is a penalty for prepayment." This law goes on to state that failure to provide the appropriate notice will result in the unenforceability of the prepayment provisions.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Public Chapter **963**
Amends **T.C.A. Section 47-18-2404**
Effective Date **July 1, 2000**

Public Chapter 963 amends the Tennessee Consumer Protection Act, Title 47, Chapter 18, by adding a new part. Specifically, this law applies to a solicitation to lend money to a borrower for the consolidation or payment of other indebtedness in those instances where the loan will result in the borrower's home becoming collateral for the loan. This law requires that the solicitation clearly state in writing in bold face type at least ten points that the borrower's failure to timely make loan payments or to repay the loan will result in the borrower's home being subject to foreclosure and also that additional information on debt consolidation loans is available from the Tennessee Department of Commerce and Insurance. Moreover, under this law, the solicitation shall also state whether it is the obligation of the lender or the borrower to make payments to prior lenders. The failure to comply with the provisions of the law shall subject the lender to treble damages.

This law does not apply to banks, credit unions, savings and loan or any subsidiary or affiliate of the foregoing as well as any entity regulated by this Department.

Public Chapter **684**
Amends **T.C.A. Section 45-5-403**
Effective Date **July 1, 2000**

Public Chapter 684 amends T.C.A. §45-5-403, a provision in the Industrial Loan and Thrift Companies Act, by adding a new schedule of loan charges which the lender may charge on small loans ranging from \$100 to \$1,000 in lieu of those charges presently set forth in Section 403. This law also provides that a lender who imposes the charges authorized may also collect a bad check charge from a borrower as well as require the payment of attorney's fees in the event a borrower defaults on a loan. This law prohibits loan charges authorized under this law from being imposed on a loan to a borrower who has one or more loans outstanding with the same registrant or affiliated lender and upon which loan charges were imposed under present law to either 4% of the total loan amount or a flat service charge.

Public Chapter **570**
Amends **T.C.A. Section 45-2-708**
Effective Date **Immediately**

Public Chapter 570 removes the "contents of safe deposit boxes" from being counted against the \$10,000 limit which a bank can disburse from the deposit account of a deceased depositor.



BANK DIVISION

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

BANK DIVISION

The **BANK DIVISION** has legal responsibility for assuring the Tennessee state-chartered banking system runs on a safe and sound basis. In its supervisory role, the Bank Division periodically examines the financial soundness of all state-chartered banks, savings banks, and non-depository independent trust companies. Bank examiners perform evaluations of each institution's assets, liabilities, income and expenses; monitor compliance with governing laws and regulations; and rate the effectiveness of the institution's management. The adequacy of capital is assessed to assure the protection of depositors. Examiners assigned to this Division review the Information Technologies functions of state-chartered financial institutions for compliance with generally accepted Information Technologies practices and for adherence to departmental regulations. Bank Division staff also examine Business and Industrial Development Corporations (BIDCOs) for compliance with governing statutes, investigate consumer complaints, and evaluate applications for new institutions, branches, expanded financial activities, and corporate reorganizations. At year-end 2000, the Bank Division oversaw the affairs of one hundred and eighty-five financial institutions, consisting of one hundred and sixty-nine banks, three BIDCOs, and thirteen independent non-depository trust companies.

The Department was able to meet the statutory obligation of examining all institutions on either a twelve-month or an eighteen-month basis. This was accomplished through coordination with federal banking regulators.

BANK EXAMINATION

At year-end 2000, consolidated total assets of our Tennessee state-chartered banks totaled \$21.9 billion, representing a \$1.4 billion increase over prior year-end. Excluding those banks that have been organized less than two years (DeNovo banks), the average annualized asset growth rate was 11.59%.

At year-end 2000, Tennessee state-chartered banks had consolidated capital totaling \$2.2 billion, a \$253 million increase or 13.31% over prior year-end. Our banks, overall, remain well capitalized and profitable.

Tennessee's economy has experienced an extended period of economic expansion, but signs of slowing are evident. Overall, state-chartered banks have an average past due ration of 3.40%, up sixty basis points from prior year-end. Our banks continue to experience tremendous loan growth and have maintained basically a healthy loan portfolio.

Overall, Tennessee banks reported healthy financial conditions throughout 2000. Our state-chartered banks, as a whole, are capably positioned, strategically and financially, to meet new opportunities in the wake of sweeping financial reform legislation and continuing technological and financial innovation.

TRUST EXAMINATION

Because of much preparation, the anticipated information system malfunction regarding the century date change did not occur. What did happen was that independent trust institutions in Tennessee met the challenge head-on and did not experience any computer malfunctions of any significance. Additionally, no information systems related problems occurred, or were made known as the year progressed, that could not be addressed in the normal course of business. Nevertheless, examiners continue to monitor the adequacy, testing, and direct oversight of trust institutions' contingency plans.

At year-end 2000, the Department supervised a total of 13 independent, non-depository trust companies. These companies reported consolidated total assets of \$33.4 million with trust assets under management of \$5.7 billion. Additionally, their aggregated total income for the year amounted to \$7.7 million.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS (BIDCOs)

T.C.A., Section 45-8-225, requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. At the end of 2000, the Department supervised the operation of three BIDCOs: 1) Tennessee Business and Industrial Development Corporation; 2) SecurAmerica Business Credit; and, 3) FINOVA Mezzanine Capital. These companies provided financing totaling \$88,558,979.00 to thirty-four small businesses, preserving or creating 2,481 jobs. A summary analysis of the number of dollar amount of loans extended to certain broad categories of industries is detailed as follows:

Category	Number	Dollar Amount
Services	02	\$25,017,500
Manufacturing	12	\$25,916,350
Transportation/Communication	02	\$2,800,000
Retail	11	\$4,051,376
Wholesale	05	\$13,250,000
Construction	01	\$7,523,753
Finance/Insurance/Real Estate	<u>01</u>	<u>\$10,000,000</u>
Total:	34	\$88,558,979

SUMMARY COMMENTS

The Division strives to maintain the highest professional standard while operating its programs and activities as efficiently as possible. A wide range of analytical activities is used to evaluate the financial institution's practices and their financial soundness. Economic and financial systems complexities require that our staff be highly knowledgeable and trained to deal with all issues facing our regulated financial institutions. Ninety-eight percent of the Bank Division's staff participated in various professional educational programs during 2000, with one hundred percent of the Bank Division's field examination staff receiving specialized training during the year. The Division strives to maintain open-door communications with the representatives of our regulated institutions, striving for state charters to be the charters of choice.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NEW CHARTERS AND CORPORATE REORGANIZATIONS

BANK DIVISION APPLICATION ACTIVITIES 2000

NEW BANKS OPENED 2000

<u>Date Open</u>	<u>Name of Bank</u>
1-1-2000	Tristar Bank, Dickson, Tennessee
1-14-2000	Tennessee Commerce Bank, Franklin, Tennessee
6-26-2000	First Central Bank of Monroe County, Sweetwater, Tennessee (Frontier Bank, Chattanooga, Tennessee)
11-1-2000	Academy Bank, Lebanon, Tennessee
11-20-2000	Insuror's Bank of Tennessee, Nashville, Tennessee
11-30-2000	Traditions First Bank, Erin, Tennessee
12-11-2000	Peoples Bank of Bedford County, Shelbyville, Tennessee

NO NEW TRUST COMPANIES OPENED 2000

MERGERS 2000

<u>Date of Merger</u>	<u>Names of Institutions</u>
2-12-2000	First State Bank, Covington, Tennessee, merged with and into Union Planters Bank, NA, Memphis, Tennessee
3-20-2000	Bank of Adamsville, Adamsville, Tennessee, merged into Citizens State Bank, Parsons, Tennessee (Community South Bank new name)
4-21-2000	First Volunteer Bank of Southeast Tennessee, Etowah, Tennessee, merged with and into First Volunteer Bank of Tennessee, Chattanooga, Tennessee
5-10-2000	Lincoln County Bank, Fayetteville, Tennessee, merged with and into Regions Bank, Birmingham, Alabama
5-10-2000	Bank of Huntland, Huntland, Tennessee, merged with and into Regions Bank, Birmingham, Alabama
6-26-2000	Tri-Cities Bank and Trust, Blountville, Tennessee, merged into First Virginia Banks, Bristol, Virginia
8-18-2000	Heritage Bank, Clarksville, Tennessee, merged into Old National Bank, Lawrenceville, Illinois
9-14-2000	Lewis County Bank, Hohenwald, Tennessee, merged into Community South Bank, Parsons, Tennessee

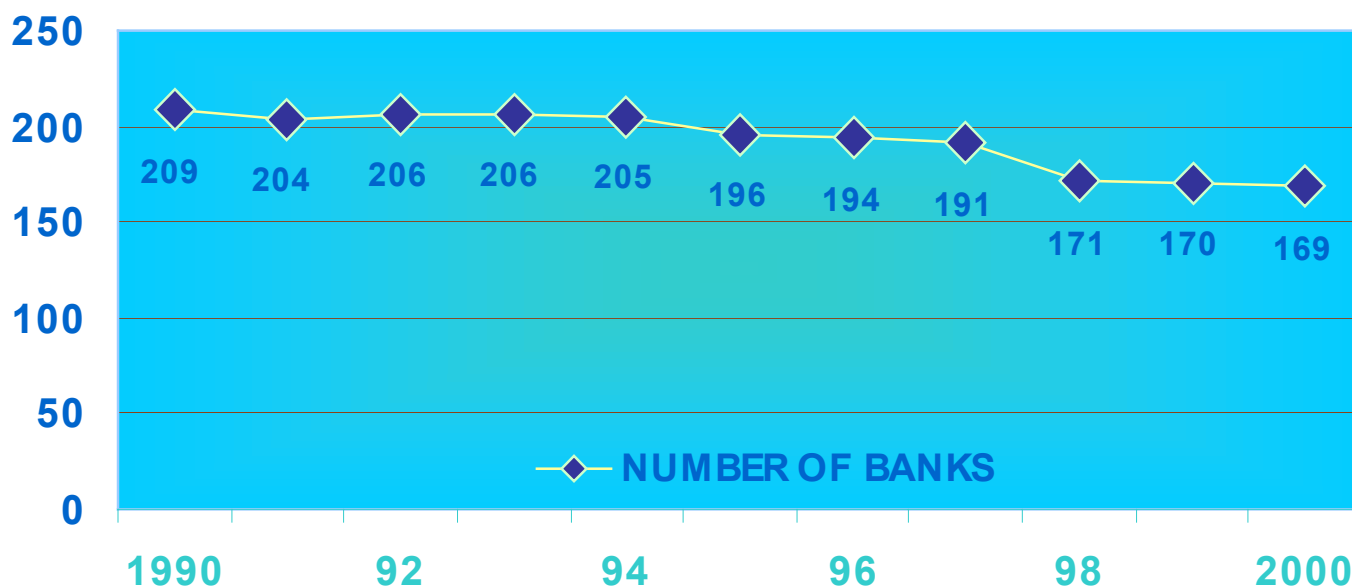
NO 100% PURCHASE AND ASSUMPTION TRANSACTIONS 2000

TRUST COMPANIES LEAVING SYSTEM

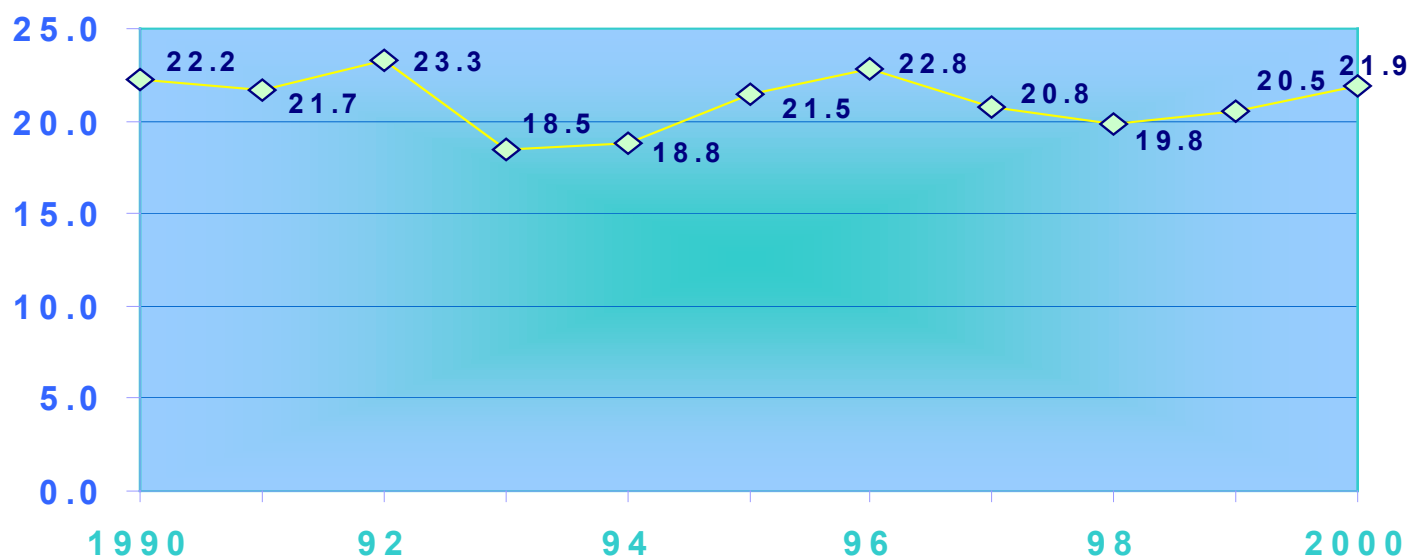
9-8-2000	First Southern Trust Company, Memphis, Tennessee, amended charter to not have fiduciary activities.
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TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED BANKS IN TENNESSEE

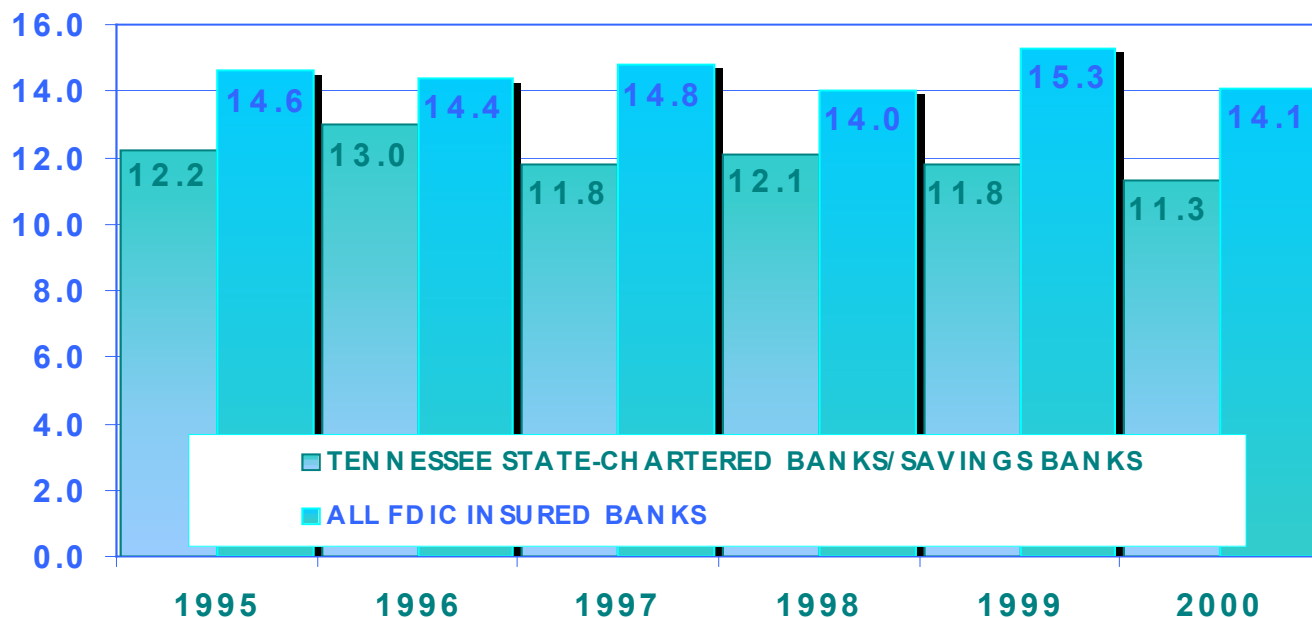


ASSETS OF STATE-CHARTERED BANKS IN TENNESSEE (IN BILLIONS)

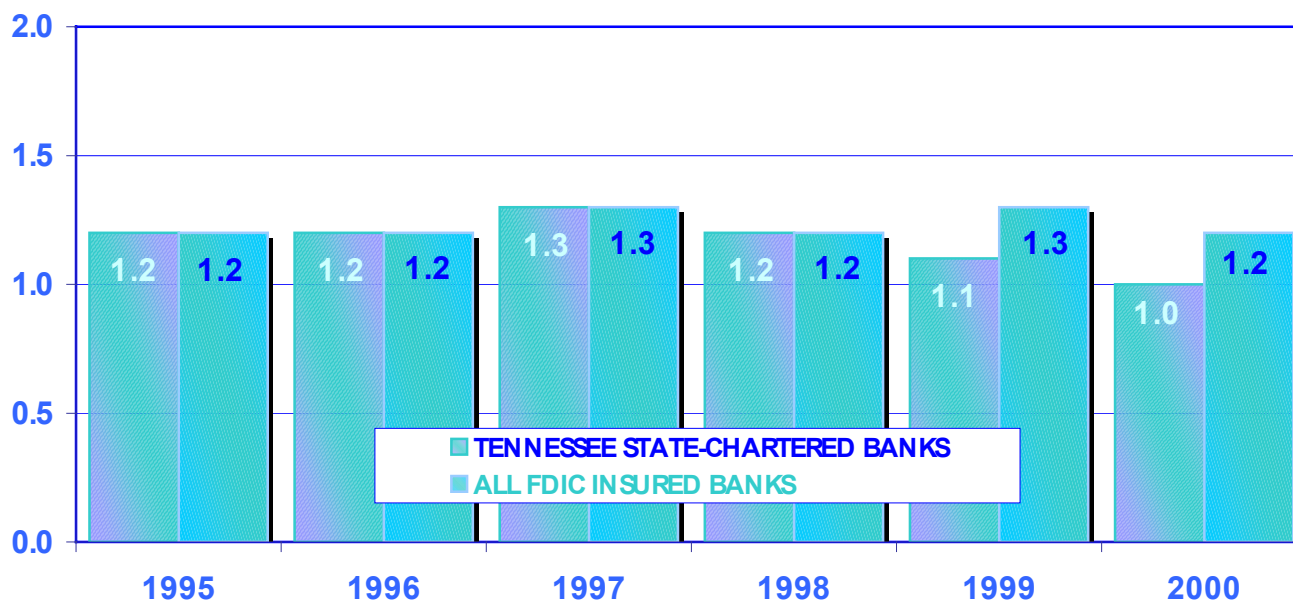


TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

RETURN ON EQUITY



RETURN ON ASSETS



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

KEY BANK RATIOS

(December 31, 2000)

AVERAGE FOR TENNESSEE STATE-CHARTERED BANKS

Indicates Bank Strength

Core Capital (Leverage) Ratio 9.83%

Indicates Bank Liquidity

Net Loans to Deposits 76.46%

Net Loans to Assets 65.32%

Indicates Bank's Ability to Absorb Loan Losses

Allowance for Loan and Lease Losses 1.49%

Indicates Bank Stockholders' Return on Investment

Net Income to Average Total Equity 11.34%

Indicates Bank Profitability

Net Income to Average Total Assets 1.04%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED BANKS

Consolidated Balance Sheet

(IN MILLIONS)

	December 2000	December 1999	\$ Change	% Change
ASSETS				
Cash and Due from Banks	780	912	(132)	-14.47%
Securities	4,606	4,390	216	4.92%
Federal Funds Sold and Securities Purchased Under Agreement to Resell	667	385	282	73.25%
Total Loans and Leases	14,966	14,065	901	6.41%
Allowance for Loan & Lease Losses	-213	(192)	(21)	10.94%
Assets held in Trading Accounts	0	-	-	-
Premises and Fixed Assets	517	470	47	10.00%
Other Real Estate Owned	49	37	12	32.43%
Investments in Unconsolidated Subsidiaries	49	50	(1)	-2.00%
Customer Liabilities	0	-	-	-
Intangible Assets	98	42	56	144.44%
Other Assets	383	348	35	10.06%
TOTAL ASSETS	21,902	20,057	1,395	6.80%
LIABILITIES				
Non-Interest Bearing Deposits	2,120	2,099	21	1.00%
Interest Bearing Accounts	16,442	15,229	1,213	7.97%
TOTAL DEPOSITS	18,562	17,328	1,234	7.12%
Federal Funds Purchased and Securities Sold Under Repurchase Agreement	315	401	(86)	-21.45%
Demand Notes Issued to the U. S. Treasury	3	3	-	0.00%
Trading Liabilities	0	-	-	-
Other Borrowed Money	667	701	(34)	-4.85%
Banks Liability on Acceptances Outstanding	0	-	-	-
Subordinated Notes and Debentures	0	-	-	-
Other Liabilities	201	173	28	16.18%
TOTAL LIABILITIES	19,748	18,606	1,142	6.14%
EQUITY CAPITAL				
Preferred Stock	9	10	(1)	-10.00%
Common Stock	176	175	1	0.57%
Surplus	673	523	150	28.68%
Undivided Profits	1,299	1,260	39	3.10%
Accumulated Other Comprehensive Income	-3	(67)	64	-95.52%
TOTAL EQUITY CAPITAL	2,154	1,901	253	13.31%
TOTAL LIABILITIES AND EQUITY CAPITAL	21,902	20,507	1,395	6.80%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE STATE-CHARTERED BANKS

Consolidated Income Statement

(IN MILLIONS)

	December 2000	December 1999	\$ Change	% Change
Interest Income	1,643	1,536	107	6.97%
Interest Expense	817	692	125	18.06%
NET INTEREST INCOME	826	844	-18	-2.13%
Non-Interest Income	174	169	5	2.96%
Non-Interest Expense	-619	-619	0	0.00%
Provision for Loan Losses	-85	-67	18	26.87%
Securities Gains/Losses	-2	0	-2	100.00%
Pre-Tax Net Income	294	327	-33	-10.09%
Applicable Income Taxes	86	104	-18	-17.31%
NET OPERATING INCOME	208	223	-15	-6.73%
Extraordinary Gains/Losses	0	0	0	0.00%
NET INCOME	208	223	-15	-6.73%
TOTAL CASH DIVIDENDS	96	134	-38	-28.36%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NATIONALLY-CHARTERED BANKS

Consolidated Balance Sheet

(IN MILLIONS)

	December 2000	December 1999	\$ Change	% Change
ASSETS				
Cash and Due from Banks	2,430	3,057	(627)	-20.51%
Securities	13,493	14,948	(1,425)	-9.55%
Federal Funds Sold and Securities Purchased				
Under Agreement to Resell	306	1,129	(823)	-72.90%
Total Loans and Leases	43,139	45,199	(2,060)	-4.56%
Allowance for Loan & Lease Losses	(564)	(638)	75	-11.60%
Assets held in Trading Accounts	560	493	67	13.59%
Premises and Fixed Assets	1,078	1,178	(100)	-8.49%
Other Real Estate Owned	64	58	6	10.34%
Investments in Unconsolidated Subsidiaries	27	25	2	-8.49%
Customer Liabilities	41	58	(17)	-29.31%
Intangible Assets	2,029	2,075	(46)	-2.22%
Other Assets	2,562	2,524	38	1.51%
TOTAL ASSETS	65,165	70,076	(4,911)	-7.01%
LIABILITIES				
Non-Interest Bearing Deposits	6,206	6,643	(437)	-6.58%
Interest Bearing Accounts	37,345	40,995	(3,650)	-8.90%
TOTAL DEPOSITS	43,551	47,638	(4,087)	-7.01%
Federal Funds Purchased and Securities				
Sold Under Repurchase Agreement	7,524	7,855	(331)	-4.21%
Demand Notes Issued to the U. S. Treasury	3	3	0	0.00%
Trading Liabilities	20	66	(46)	-69.70%
Other Borrowed Money	5,691	6,516	(925)	-12.66%
Banks Liability on Acceptances Outstanding	41	58	(17)	-29.31%
Subordinated Notes and Debentures	571	441	20	3.63%
Other Liabilities	2,066	1,625	441	27.14%
TOTAL LIABILITIES	59,467	64,312	(4,845)	-7.53%
EQUITY CAPITAL				
Preferred Stock				
Common Stock	147	176	(29)	-16.48%
Surplus	2,333	2,323	10	0.43%
Undivided Profits	3,235	3,463	(228)	-6.58%
Accumulated Other Comprehensive Income	(17)	(198)	181	-91.41%
TOTAL EQUITY CAPITAL	5,698	5,764	(66)	-1.15%
TOTAL LIABILITIES AND EQUITY CAPITAL	65,165	70,076	(4,911)	-7.01%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NATIONALLY-CHARTERED BANKS

Consolidated Income Statement

(IN MILLIONS)

	December 2000	December 1999	\$ Change	% Change
Interest Income	4,716	4,701	15	0.32%
Interest Expense	-2,492	-2,231	261	11.70%
NET INTEREST INCOME	2,224	2,470	-246	-9.96%
Non-Interest Income	2,381	2,298	83	3.61%
Non-Interest Expense	-3,201	-3,127	74	2.37%
Provision for Loan Losses	-163	-157	6	3.82%
Securities Gains/Losses	-3	-6	3	-50.00%
Pre-Tax Net Income	1,238	1,478	-240	-16.24%
Applicable Income Taxes	-407	-507	-100	-19.72%
NET OPERATING INCOME	831	971	-140	-14.42%
Extraordinary Gains/Losses	0	0	0	0%
NET INCOME	831	971	-140	-14.42%
TOTAL CASH DIVIDENDS	535	659	-124	-18.82%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS STATE-CHARTERED BANKS

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Equity Capital	(i) Net Income
ADAMSVILLE	Farmers & Merchants Bank	2,003	7,032	18,015	323	1,118	27,845	22,647	2,302	2,896	175
ALAMO	The Bank of Alamo	1,721	21,635	56,239	728	2,747	81,614	65,256	9,334	7,024	1,007
ASHLAND CITY	Community Bank & Trust Co. of Cheatham Cty	872	13,690	16,833	212	2,780	33,963	27,069	178	6,716	20
ATWOOD	Citizens Bank & Trust Company	568	4,351	8,925	75	365	14,134	12,714	140	1,280	126
BARRETVILLE	Peoples Bank	8,485	112,731	184,701	2,290	14,470	318,097	262,130	3,967	52,000	4,802
BARTLETT	Bank of Bartlett	11,773	143,419	281,422	3,140	13,614	447,088	388,744	29,929	28,415	3,521
BELFAST	Bank of Belfast	1,408	4,198	15,466	180	477	21,369	19,003	101	2,265	184
BELLS	Bank of Crockett	3,695	21,584	46,818	643	2,733	74,187	63,903	2,674	7,610	1,048
BELLS	Bells Banking Company	1,515	13,773	13,555	154	645	29,334	25,000	609	3,725	331
BENTON	Benton Banking Company	3,321	9,560	63,130	818	3,832	79,025	69,409	2,672	6,944	720
BENTON	Peoples Bank of Polk County	1,220	6,990	14,803	140	663	23,536	20,160	791	2,585	140
BOLIVAR	First South Bank	7,619	30,471	153,461	1,852	10,640	200,339	179,968	4,610	15,761	4,069
BOLIVAR	The Bank of Bolivar	2,458	21,425	54,106	932	4,449	81,506	74,759	822	5,925	-83
BRADFORD	The Bank of Bradford	1,147	25,754	11,514	291	886	39,010	33,205	373	5,432	377
BRENTWOOD	Premier Bank of Brentwood	4,142	10,798	59,010	773	1,356	74,533	61,794	6,611	6,128	718
BRIGHTON	Brighton Bank	2,238	14,390	41,506	439	3,320	61,015	52,781	3,601	4,633	12
BROWNSVILLE	INSOUTH Bank	24,239	110,985	354,036	8,662	28,742	509,340	456,070	12,031	41,239	234
BYRDSTOWN	People's Bank and Trust Co.	2,101	13,180	51,202	782	3,312	69,013	57,897	2,809	8,307	1,284
CAMDEN	Bank of Camden	4,934	55,704	63,187	986	5,749	128,588	111,757	2,243	14,588	1,496
CARTHAGE	Citizens Bank	8,492	131,546	254,085	2,416	9,816	401,523	319,493	3,774	78,256	8,373
CARTHAGE	Cumberland Bank	23,961	15,973	194,769	2,549	14,540	246,694	210,138	18,929	17,627	2,506
CARTHAGE	Community Bank of Smith Cty	3,037	6,908	30,116	304	2,117	41,874	36,350	1,537	3,987	366
CHAPEL HILL	First State Bank	880	12,654	15,814	215	642	29,775	24,366	269	5,140	370
CHATTANOOGA	First Volunteer Bank of TN	8,586	33,776	158,405	1,810	15,467	214,424	189,691	5,555	19,178	2,648
CHATTANOOGA	Cornerstone Community Bank	4,634	22,810	84,574	1,142	5,797	116,673	101,386	5,609	9,678	592
CLARKSVILLE	Farmers and Merchants Bank	11,687	60,904	235,475	2,598	23,483	328,951	301,214	2,765	24,972	1,592
CLARKSVILLE	Legends Bank	2,458	23,536	42,715	552	3,881	72,038	57,497	2,068	12,473	88
CLEVELAND	Cleveland Bank and Trust Co.	11,178	79,644	170,307	2,925	7,623	265,827	231,140	14,283	20,404	4,447
CLEVELAND	The Bank/First Citizens Bank	13,198	76,705	194,763	2,778	8,897	290,785	236,638	31,291	22,856	3,798
CLEVELAND	Bank of Cleveland	4,569	17,208	101,591	1,150	7,640	129,858	114,756	1,406	13,696	2,100
CLEVELAND	Southern Heritage Bank	1,703	12,394	33,107	451	3,266	50,019	40,395	416	9,208	-185
CLIFTON	Peoples Bank	2,065	16,330	54,843	1,089	3,851	76,000	65,908	3,969	6,123	226
CLINTON	The Community Bank of East TN	660	21,186	19,065	238	2,161	42,834	38,474	313	4,047	86
COLLIERVILLE	BankTennessee	4,600	19,897	173,093	2,158	14,500	209,932	176,457	18,428	15,047	1,659
COLUMBIA	Community First Bank & Trust	1,861	26,560	66,874	897	4,957	99,355	87,752	781	10,822	369
COOKEVILLE	Bank of Putnam County	6,392	98,027	86,807	891	7,426	197,761	181,777	1,526	14,458	1,978
COPPERHILL	Century South Bank of Polk Cty	2,567	10,026	78,986	1,765	3,556	93,370	81,499	3,426	8,445	991
CORDOVA	First Alliance Bank	799	3,830	22,758	294	872	27,965	22,278	295	5,392	-248
CORNERSVILLE	Farmer's Bank	1,702	19,013	48,706	864	3,526	72,083	63,253	1,035	7,795	550
CROSSVILLE	Cumberland County Bank	4,841	51,028	64,028	553	2,666	122,010	111,281	1,410	9,319	1,756
DECATURVILLE	Decatur County Bank	2,120	31,052	33,898	605	3,636	70,101	53,549	7,740	8,812	706
DICKSON	Bank of Dickson	5,247	62,363	79,630	808	5,024	151,456	122,626	9,794	19,036	1,745
DICKSON	TriStar Bank	939	5,789	20,955	300	1,435	28,818	21,673	127	7,018	-486
DRESDEN	The Weakley County Bank	3,129	21,691	25,220	547	11,739	61,232	51,398	4,517	5,317	592
DUNLAP	Sequatchie County Bank	1,562	13,810	29,414	368	3,399	47,817	39,703	454	7,660	492

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Equity Capital	(i) Net Income
DUNLAP	Citizens Tri-County Bank	7,701	31,912	152,187	1,857	12,144	202,087	179,141	8,006	14,940	2,934
DYER	The Farmers & Merchants Bank	1,142	20,788	25,949	373	2,178	49,684	42,542	2,839	4,303	507
DYER	Bank of Dyer	2,796	6,903	35,383	355	3,367	48,094	36,439	8,189	3,466	363
DYERSBURG	Security Bank	6,416	46,842	75,951	1,063	6,038	134,184	113,020	8,511	12,653	767
ELIZABETHTON	Citizens Bank	15,728	100,466	398,447	4,603	32,732	542,770	390,348	98,285	54,137	10,141
ELIZABETHTON	Carter County Bk of Elizabethton	7,028	42,243	125,506	1,449	4,536	177,864	158,800	3,797	15,267	3,436
ERIN	Traditions First Bank	3,656	2,806	1,152	23	310	7,901	2,831	15	5,055	-258
FRANKEWING	Bank of Frankewing	1,863	15,717	52,918	784	5,913	75,627	66,252	1,388	7,987	574
FRANKLIN	Tennessee Commerce Bank	1,162	9,096	32,420	736	749	42,691	35,502	528	6,661	-1,748
FRIENDSHIP	Bank of Friendship	3,121	25,886	82,150	1,689	3,598	113,066	95,638	8,119	9,309	772
GAINESBORO	Jackson Bank & Trust	4,795	25,734	112,387	2,509	8,671	149,078	122,131	14,125	12,822	611
GAINESBORO	Citizens Bank	1,528	18,366	23,444	1,166	1,726	43,898	38,657	382	4,859	-436
GALLATIN	First Independent Bank	7,136	25,721	60,063	778	3,957	96,099	84,854	2,892	8,353	1,038
GATES	Gates Banking and Trust Co.	901	10,961	16,906	272	937	29,433	26,096	331	3,006	299
GERMANTOWN	Nashoba Bank	3,145	17,946	148,000	1,536	3,966	171,521	146,961	12,547	12,013	1,544
GERMANTOWN	Trust One Bank	13,063	100,328	241,516	3,547	15,205	366,565	328,242	16,383	21,940	2,189
GERMANTOWN	Community Commercial Bank	2,880	28,083	88,591	1,104	3,170	121,620	101,776	6,141	13,703	570
GLEASON	Bank of Gleason	3,602	37,322	48,731	444	3,176	92,387	77,743	985	13,659	1,404
GREENEVILLE	Greene County Bank	24,072	60,908	668,793	11,728	44,694	786,739	653,510	70,439	62,790	5,955
GREENEVILLE	Andrew Johnson Bank	5,358	17,898	132,684	1,688	6,020	160,272	145,175	2,506	12,591	1,887
GREENFIELD	Greenfield Banking Company	1,411	14,313	25,180	540	1,423	41,787	36,306	445	5,036	469
HALLS	Bank of Halls	1,332	17,632	27,404	334	1,084	47,118	40,793	1,261	5,064	679
HALLS	The Lauderdale County Bank	1,919	8,151	22,086	237	2,309	34,228	28,605	2,892	2,731	198
HARROGATE	Commercial Bank	6,319	33,620	155,297	1,404	11,869	205,701	166,603	19,801	19,297	2,204
HARTSVILLE	Citizens Bank	2,264	13,733	48,504	595	1,924	65,830	58,358	1,686	5,786	854
HENDERSON	First State Bank	5,159	72,511	53,740	750	3,293	133,953	109,005	1,452	23,496	841
HENDERSON	Chester County Bank	4,299	7,243	25,437	379	1,388	37,988	34,787	289	2,912	310
HUNTINGDON	Carroll Bank and Trust	5,143	37,014	87,398	1,044	7,821	136,332	111,547	8,610	16,175	1,465
HUNTINGDON	Bank of Huntingdon	4,920	55,746	95,074	1,588	5,698	159,850	138,288	2,589	18,973	2,141
JACKSBORO	First Volunteer Bank of East TN	1,763	30,500	62,410	716	5,076	99,033	89,751	775	8,507	1,773
JACKSON	The Bank of Jackson	2,263	12,507	47,205	651	1,842	63,166	54,303	1,202	7,661	452
JAMESTOWN	Union Bank	3,698	35,006	59,822	1,026	5,703	103,203	86,199	874	16,130	1,107
JAMESTOWN	First Volunteer Bank of the Upper Cumberland	2,730	9,161	41,816	515	4,281	57,473	52,174	643	4,656	1,243
JASPER	Citizens State Bank	2,194	6,634	37,829	381	2,729	49,005	44,229	609	4,167	580
JEFFERSON CITY	First Peoples Bank of Tennessee	4,256	13,529	69,773	1,170	3,062	89,450	79,517	3,404	6,529	960
JELICO	Union Bank	2,069	18,233	22,390	285	3,208	45,615	37,664	580	7,371	616
JOHNSON CITY	First Bank and Trust Co. of TN	2,988	1,865	59,417	601	4,460	68,129	61,215	1,761	5,153	748
JOHNSON CITY	People's Community Bank	4,143	26,754	85,486	997	3,783	119,169	106,790	2,842	9,537	896
JOHNSON CITY	State of Franklin Savings Bank	4,939	56,274	135,947	1,030	7,276	203,406	163,645	24,346	15,415	1,603
KENTON	First State Bank	11,429	94,431	170,177	2,127	14,774	288,684	246,516	18,981	23,187	730
KINGSPORT	Bank of Tennessee	12,588	62,303	301,271	4,000	11,739	383,901	340,240	15,440	28,221	2,400
KNOXVILLE	BankFirst	25,494	101,781	485,155	9,622	102,180	704,988	508,043	96,333	100,612	0
KNOXVILLE	First Vantage Bank-Tennessee	10,056	29,830	124,368	1,379	5,367	168,242	139,714	12,590	15,938	1,937
LAFAYETTE	Citizens Bank of Lafayette	10,623	92,312	137,186	1,402	7,945	246,664	223,134	1,381	22,149	2,859
LAFAYETTE	Macon Bank and Trust Company	5,036	71,652	88,250	1,335	4,535	168,138	148,124	1,353	18,661	1,650
LAWRENCEBURG	First Volunteer Bank of Middle TN	1,770	10,062	39,580	447	4,816	55,781	49,400	1,638	4,743	909
LEBANON	Wilson Bank and Trust	18,256	105,629	377,719	3,690	19,628	517,542	449,973	33,191	34,378	5,351
LEBANON	Academy Bank	957	5,572	8,738	112	1,519	16,674	11,967	138	4,569	-425
LENOIR CITY	First Central Bank	5,409	39,001	76,808	738	6,116	126,596	115,066	999	10,531	1,315
LEWISBURG	Peoples and Union Bank	3,660	49,612	110,358	1,181	2,948	165,397	152,911	1,187	11,299	2,356
LEXINGTON	First Bank	11,205	77,588	414,658	5,736	26,541	524,256	412,979	56,244	55,033	7,186

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Equity Capital	(i) Net Income
LIBERTY	Liberty State Bank	3,181	28,452	51,823	983	3,710	86,183	78,736	595	6,852	570
LIVINGSTON	Union Bank & Trust Company	2,142	33,053	28,964	1,019	4,643	67,783	61,559	721	5,503	2,238
LIVINGSTON	American Savings Bank	303	8,610	32,244	393	1,777	42,541	37,435	1,734	3,372	382
LOBELVILLE	Bank of Perry County	2,532	13,233	51,570	688	1,397	68,044	56,507	660	10,877	1,392
LYNCHBURG	The Farmers Bank of Lynchburg	784	28,260	44,448	389	2,562	75,665	66,535	470	8,660	594
MADISONVILLE	Peoples Bank of Monroe County	2,638	11,999	41,899	641	3,490	59,385	52,575	272	6,538	450
MANCHESTER	Peoples Bank & Trust Company	1,634	23,715	23,467	282	3,041	51,575	44,764	1,656	5,155	512
MANCHESTER	Coffee County Bank	1,512	8,529	20,622	673	855	30,845	26,360	535	3,950	403
MARTIN	City State Bank	3,615	24,225	59,963	745	16,478	103,536	85,949	7,855	9,732	1,188
MARYVILLE	Citizens Bank of Blount County	7,025	98,075	183,922	2,332	7,416	294,106	254,253	11,181	28,672	4,166
MARYVILLE	The Home Bank of Tennessee	3,229	22,224	50,238	628	4,622	79,685	63,817	9,418	6,450	558
MASON	The Bank of Mason	923	4,099	3,385	68	385	8,724	7,613	177	934	46
MAURY CITY	Planters Bank of Maury City	737	5,106	22,063	412	649	28,143	24,858	471	2,814	321
MAYNARDVILLE	First State Bank	3,694	13,283	21,074	317	2,025	39,759	33,983	377	5,399	329
MC KENZIE	McKenzie Banking Company	5,117	24,820	48,066	2,501	3,428	78,930	70,968	723	7,239	1,256
MEDINA	Medina Banking Co.	2,195	13,609	11,343	180	793	27,760	23,279	265	4,216	322
MEMPHIS	Tri-State Bank of Memphis	4,155	48,406	71,347	1,000	4,061	126,969	112,833	1,137	12,999	886
MEMPHIS	Independent Bank	5,232	47,945	165,437	2,020	7,530	224,124	201,222	3,575	19,327	1,595
MEMPHIS	MemphisFirst Community Bank	829	8,449	12,456	155	542	22,121	18,350	154	3,617	-124
MILAN	The Bank of Milan	1,018	15,263	47,163	685	3,574	66,333	46,924	14,437	4,972	253
MORRISTOWN	Union Planters Bk of the Lakeway	3,793	22,059	145,285	2,262	5,929	174,804	141,836	18,767	14,201	3,422
MOSCOW	The Bank of Moscow	2,003	7,364	33,661	273	1,956	44,711	36,881	3,511	4,319	433
MOUNTAIN CITY	Farmers State Bank	2,964	36,572	61,101	784	2,081	101,934	87,909	531	13,494	1,175
MOUNTAIN CITY	Johnson County Bank	1,499	7,065	59,663	432	3,325	71,120	55,952	8,668	6,500	878
MUNFORD	The Munford Union Bank	3,483	34,647	65,950	833	5,438	108,685	94,265	5,539	8,881	1,675
MURFREESBORO	Rutherford Bank and Trust	2,834	6,004	37,982	476	2,731	49,075	44,330	310	4,435	160
MURFREESBORO	Bank of Murfreesboro	3,530	27,919	78,884	934	8,132	117,531	100,241	5,565	11,725	404
NASHVILLE	Citizens Savings Bk and Trust Co.	3,964	11,159	26,485	396	726	41,938	38,038	576	3,324	500
NASHVILLE	The Community Bank	4,488	14,354	100,587	1,007	5,391	123,813	99,406	16,034	8,373	780
NASHVILLE	The Bank of Nashville	10,737	70,575	270,568	4,622	6,695	353,953	282,401	39,371	32,181	2,917
NASHVILLE	Capital Bank & Trust Company	5,959	37,405	117,354	1,886	8,246	167,078	144,419	7,378	15,281	1,087
NASHVILLE	Insurors Bank of Tennessee	849	5,852	142	0	435	7,278	1,874	44	5,360	-492
NEW TAZEVELL	Citizens Bank	2,189	43,768	56,489	647	13,641	115,440	101,027	3,164	11,249	-277
OAK RIDGE	TNBANK	1,564	18,496	55,857	694	3,414	78,637	68,273	4,095	6,269	389
OAKLAND	Oakland Deposit Bank	3,674	10,991	51,154	531	5,618	70,906	61,932	3,762	5,212	1,005
ONEIDA	First Trust and Savings Bank	3,383	8,584	53,848	661	2,776	67,930	62,207	388	5,335	405
OOLTEWAH	Community Trust & Banking Co.	904	3,872	25,289	344	2,879	32,600	23,018	2,974	6,608	8
PARIS	Commercial Bank & Trust Co.	9,744	75,406	222,642	4,282	17,822	321,332	288,330	2,190	30,812	3,883
PARIS	Security Bank and Trust Company	2,183	25,959	73,922	757	3,697	105,004	95,854	933	8,217	1,342
PARSONS	Farmers Bank	1,328	7,830	25,171	583	1,624	35,370	31,166	1,419	2,785	73
PARSONS	Community South Bank	8,448	54,366	155,726	2,842	13,395	229,093	176,609	31,372	21,112	1,882
PIGEON FORGE	Tennessee State Bank	8,497	68,817	233,506	3,372	18,810	326,258	273,663	26,160	26,435	3,701
PORTLAND	The Farmers Bank	11,950	72,315	131,648	1,776	10,120	224,257	193,774	8,377	22,106	2,986
PORTLAND	Volunteer State Bank	6,457	27,617	96,715	1,083	5,810	135,516	119,881	3,105	12,530	1,673
RIPLEY	Bank of Ripley	4,594	60,076	75,090	817	6,979	145,922	114,938	11,976	19,008	1,101
ROGERSVILLE	The Citizens Bank of East TN	3,163	33,439	74,025	986	6,342	115,983	106,019	2,382	7,582	901
ROGERSVILLE	First Community Bank of East TN	3,425	12,059	101,233	1,012	7,178	122,883	95,726	16,366	10,791	1,280
RUTLEDGE	Citizens Bank and Trust Co.	5,647	25,363	103,773	3,218	5,790	137,355	110,089	5,166	22,100	1,165
SARDIS	The Peoples Bank	921	10,316	19,595	304	1,180	31,708	27,363	601	3,744	335
SAVANNAH	The Hardin County Bank	4,928	35,607	118,022	909	7,890	165,538	145,607	5,004	14,927	1,688

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

CITY	BANK	(a) Cash	(b) Invest- ments	(c) Total Loans	(d) Loan Loss Res.	(e) Other Assets	Total Assets	(f) Total Deposits	(g) Other Liabilities	(h) Equity Capital	(i) Net Income
SELMER	Home Banking Company	1,309	10,301	28,050	330	1,572	40,902	37,359	612	2,931	329
SEVIERVILLE	Sevier County Bank	6,960	115,156	111,595	1,328	6,227	238,610	207,757	1,070	29,783	3,023
SHARON	The Bank of Sharon	2,227	26,428	92,826	906	16,898	137,473	114,143	13,031	10,299	783
SHELBYVILLE	First Community Bk of Bedford Cty	4,285	35,350	97,144	1,497	7,851	143,133	119,344	7,897	15,892	2,051
SHELBYVILLE	Peoples Bank of Bedford County	1,529	1,386	5,927	13	1,533	10,362	5,421	22	4,919	-388
SMITHVILLE	DeKalb Community Bank	2,047	13,192	46,374	528	2,459	63,544	57,377	1,714	4,453	555
SOMERVILLE	The Somerville Bank & Trust Co.	5,402	31,476	131,509	1,042	5,152	172,497	148,970	1,700	21,827	2,325
SPENCER	Citizens Bank of Spencer	2,546	9,747	13,701	750	1,097	26,341	22,393	422	3,526	460
SPRING CITY	First Bank of Tennessee	7,085	16,000	87,911	713	3,140	113,423	95,852	6,030	11,541	2,413
SWEETWATER	Frontier Bank	4,268	8,627	68,017	850	4,998	85,060	65,349	4,379	15,332	-1,215
TAZEWELL	First Century Bank	8,475	70,625	135,103	1,600	10,354	222,957	202,831	2,602	17,524	1,905
TOONE	Merchants & Planters Bank	3,913	29,729	77,430	1,107	6,983	116,948	101,844	5,479	9,625	925
TRENTON	Bank of Commerce	2,086	10,383	37,490	618	4,533	53,874	42,495	4,472	6,907	223
TRENTON	Citizens City & County Bank	1,640	6,015	19,064	269	2,476	28,926	25,881	291	2,754	-169
TREZEVANT	Farmer's and Merchants Bank	3,124	8,895	69,045	1,036	4,310	84,338	68,297	9,680	6,361	935
TULLAHOMA	American City Bank of Tullahoma	5,360	18,126	67,090	500	5,315	95,391	85,446	1,743	8,202	1,066
UNION CITY	Reelfoot Bank	6,504	12,358	83,770	1,283	8,671	110,020	91,987	8,849	9,184	873
WARTBURG	Citizens First Bank	1,763	7,146	34,442	406	2,901	45,846	41,323	621	3,902	316
WAYNESBORO	The Bank of Waynesboro	1,207	37,128	32,010	1,209	2,646	71,782	63,090	684	8,008	-527
WAYNESBORO	Wayne County Bank	3,963	17,624	91,739	3,137	6,100	116,289	96,364	3,182	16,743	1,338
WINCHESTER	Citizens Community Bank	1,970	16,147	56,007	855	5,090	78,359	65,011	4,280	9,068	1,516
WOODLAND MILLS	The Farmers Bank	657	7,214	6,956	106	305	15,026	13,008	95	1,923	139
TOTALS		780,333	5,272,698	14,966,261	213,207	1,096,007	21,902,092	18,562,181	1,185,655	2,154,256	208,344

(a) Cash—Includes currency/coin, both interest-bearing and non-interest bearing balances due from depository institutions; (b) Invest.—Investments owned: Includes securities, federal funds sold, and securities purchased under agreements to resell; (c) Total Loans—Includes all loans and lease financing receivables, net of unearned income; (d) Loan Loss Reserve—Allowance for Loan and Lease Losses; (e) Other Assets—Includes premises and fixed assets, trading assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customer's liability to bank on acceptances outstanding, intangible assets, and assets not reportable elsewhere.; (f) Total Deposits—Includes all interest bearing and non-interest bearing customer deposits held; (g) Other Liabilities—Includes federal funds purchased, securities sold under agreements to repurchase, demand notes issued to US Treasury, other money, mortgage indebtedness, and obligations under capitalized leases, bank's liability on acceptances outstanding, and all other liabilities; (h) Equity Capital—Includes preferred stock, common stock, surplus, undivided profits, and accumulated other comprehensive income; (i) Net Income—Income earned after all expenses, taxes and extraordinary items.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NATIONAL BANKS HEADQUARTERED IN TENNESSEE (IN THOUSANDS)

BANK NAME	CITY	TOTAL ASSETS Dec. 31, 2000	TOTAL ASSETS Dec. 31, 1999
First National Bank and Trust Company	Athens	216,543	195,711
Citizens National Bank of Athens	Athens	295,269	270,271
The First National Bank of Centerville	Centerville	94,033	97,891
SunTrust Bank*	Chattanooga	–	1,515,234
First Farmers and Merchants National Bank	Columbia	650,689	618,994
Rhea County National Bank	Dayton	72,486	68,200
First Citizens National Bank	Dyersburg	499,754	472,008
Erwin National Bank	Erwin	77,846	76,150
Franklin National Bank	Franklin	602,477	429,969
SunTrust Bank*	Knoxville	–	2,285,407
The First National Bank of La Follette	La Follette	145,148	144,534
The Peoples National Bank of La Follette	La Follette	113,095	102,711
First National Bank	Lenoir City	247,084	248,160
Community National Bank of Tennessee	Lexington	46,329	39,500
First National Bank of the Cumberlands	Livingston	272,626	248,273
The First National Bank of Manchester	Manchester	113,316	99,080
The First National Bank of McMinnville	McMinnville	269,084	263,649
First Tennessee Bank	Memphis	17,600,406	17,486,723
National Bank of Commerce	Memphis	7,315,159	5,575,042
Union Planters Bank	Memphis	34,283,976	32,684,807
Enterprise National Bank	Memphis	237,692	201,907
EFS National Bank	Memphis	716,769	444,028
Pinnacle National Bank**	Nashville	39,047	–
SunTrust Bank*	Nashville	–	5,038,651
National Bank of Newport	Newport	131,150	118,027
The First National Bank of Oneida	Oneida	148,480	137,985
The First National Bank of Pikeville	Pikeville	58,622	56,150
SunTrust Bank*	Pulaski	–	338,957
Citizens National Bank	Sevierville	355,746	338,036
Mountain National Bank	Sevierville	104,941	55,987
First National Bank of Tullahoma	Tullahoma	61,456	62,654
The Traders National Bank of Tullahoma	Tullahoma	93,640	83,099
TOTAL		65,164,777	70,076,387

* SunTrust Banks in Chattanooga, Knoxville, Nashville, and Pulaski, merged on January 1, 2000, into SunTrust Bank, Atlanta, Georgia

** Pinnacle National Bank, Nashville, Tennessee, was established on October 27, 2000

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

OUT-OF-STATE BANKS OPERATING BRANCHES IN TENNESSEE (IN THOUSANDS)

BANK NAME	HOME OFFICE	# OF OFFICES IN TN	# OF OFFICES IN TN June 30,	TOTAL TN DEPOSITS June 30, 2000	TOTAL TN DEPOSIT June 30, 1999
ALABAMA					
AmSouth*	Birmingham	212	28	9,135,896	847,402
Colonial Bank	Montgomery	3	5	113,075	88,862
Community Bank	Blountville	2	2	32,650	31,930
Regions Bank	Birmingham	57	41	1,445,447	963,347
SouthTrust Bank, N.A.	Birmingham	12	11	528,630	234,525
GEORGIA					
SunTrust	Atlanta	135	0	5,913,736	0
KENTUCKY					
Home Federal Bank, FSB	Middlesboro	1	1	34,492	27,550
Middlesboro Federal Bank, FSB	Middlesboro	1	1	15,601	12,925
MISSISSIPPI					
BanCorpSouth Bank	Tupelo	31	30	893,377	824,782
NEW JERSEY					
Synergy Federal Savings Bank	Cranford	1	1	7,771	8,466
NEW YORK					
Beacon Federal	East Syracuse	3	0	21,003	0
NORTH CAROLINA					
First Union National Bank	Charlotte	47	47	1,941,102	1,829,336
Bank of America, N.A.**	Charlotte	107	110	4,436,593	4,606,059
OHIO					
Firststar Bank, N.A.	Cincinnati	19	19	419,554	352,403
VIRGINIA					
First Vantage Bank-Tri Cities	Bristol	14	0	235,522	0
TOTALS:		645	296	25,174,449	9,827,587

* First American Bank, N.A., merged without assistance into AmSouth Bank, effective December 31, 1999

** NationsBank, N.A., merged without assistance into Bank of America, N.A., effective July 23, 1999

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED TRUST COMPANIES

Consolidated Balance Sheet

(TO NEAREST THOUSAND)

	December 2000	December 1999	\$ Change	% Change
ASSETS				
Cash and Due from Banks	14,718	4,743	9,975	210.0%
Securities and Investments	1,957	15,266	-13,309	-87.0%
Premise and Fixed Assets	2,821	1,453	1,368	94.0%
Other Assets	13,911	15,035	-1,124	-7.0%
TOTAL ASSETS	33,407	36,497	-3,090	-8.0%
LIABILITIES				
Other Liabilities	7,698	4,867	2,831	58.0%
TOTAL LIABILITIES	7,698	4,867	2,831	58.0%
Unrestricted Assets	233	200	33	17.0%
Temporarily Restricted Assets	10	17	-7	-41.0%
Permanently Restricted Assets	8	8	0	0.0%
EQUITY CAPITAL				
Preferred Stock	0	414	-414	-100.0%
Common Stock	3,366	3,250	116	4.0%
Less: Treasury Stock	-119	-230	-111	-48.0%
Surplus	7,768	19,270	-11,502	-60.0%
Undivided Profits	14,685	9,075	5,610	62.0%
Deferred Compensation	-239	-341	-102	-30.0%
Unrealized Gains and (Losses)	-3	-33	-030	-91.0%
Total Equity Capital	25,458	31,405	-5,947	-19.0%
TOTAL LIABILITIES AND EQUITY	33,407	36,497	-3,090	-8.0%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED TRUST COMPANIES

Consolidated Income Statement

(TO NEAREST THOUSAND)

	December 2000	December 1999	\$ Change	% Change
Fee Income	50,791	41,583	9,208	18.0%
NET FEE INCOME	50,791	41,583	9,208	18.0%
Other Income	906	1,249	-343	-27.5%
TOTAL INCOME	51,697	42,832	8,865	20.7%
Operating Expenses	27,187	24,639	2,548	10.3%
Advisor/Consulting Fees	16,827	11,371	5,456	48.0%
Inter-Company Expense (Credit)	-1,308	-231	-1,077	466.2%
Securities (Gains) and Losses	3	17	-14	-82.4%
TOTAL OPERATING EXPENSES	42,709	35,796	6,913	19.3%
Pre-Tax Net Operating Income	8,988	7,036	1,952	27.7%
Applicable Income Taxes	1,019	1,267	-248	-19.6%
NET OPERATING INCOME	7,693	5,575	2,118	38.0%
Extraordinary Gains/Losses	0	0	0	0.0%
NET INCOME	7,693	5,575	2,118	38.0%
TOTAL CASH DIVIDENDS	307	357	-50	-14.0%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

TENNESSEE CHARTERED TRUST COMPANIES

Summary of Individual Trust Companies

(TO NEAREST THOUSAND)

TRUST COMPANY NAME	CITY	A Cash	B Invest	C Other Assets	D Total Assets	E Other Liab.	F Equity Capital	G Net Income	H TAUM	I Com/Col Funds	J # of funds
Independence Trust Company	Franklin	20	929	284	1,233	29	1,204	66	293,816	50,762	2
BankFirst Trust Company	Knoxville	957	0	240	1,197	121	1,076	-84	374,491		
Meridian Trust and Investment	Knoxville	252	369	439	1,060	82	978	125	215,409		
The Trust Company of Knoxville	Knoxville	28	525	804	1,357	170	1,187	77	723,947	165,031	14
Central Trust Company	Memphis	0	0	0	0 (K)	-9	9	282(L)			
Diversified Trust Company	Memphis	0	0	1,376	1,376	287	1,089	672	859,162	347,130	12
First Mercantile Trust Comp.	Memphis	3,669	0	7,059	10,728	3,942	6,786	4,462	1,574,540	1,513,375	94
Investment Counsel & Trust Co.	Memphis	0	11	65	76	45	31	-29	64,441		
Bradford Trust Company (N)	Nashville	3,111	0	5,228	8,339	2,837	5,502	276	786,345		
Equitable Trust Company	Nashville	6,474	0	216	6,690	166	6,524	1,365	789,371		
Guardianship and Trusts Corp.	Nashville	112	123	22	257	6	251 (P)	18	7,383		
Sentinel Trust Company	Nashville	95	0	999	1,094	22	1,072	464	34,261		
TOTAL:		14,718	1,957	16,732	33,407	7,698	25,458	7,694	5,723,166		

FOOTNOTES: (A) Cash – Includes currency and coin, and both interest bearing and non-interest bearing balances due from depository institutions; (B) Investments – Investments Owned; (C) Other Assets – Includes premises and fixed assets, investments in unconsolidated subsidiaries, intangible assets, and other assets; (D) Total Assets – The Sum of (A) through (C); (E) Other Liabilities – Includes all other liabilities; (F) Equity Capital – Includes preferred stock, common stock, surplus, undivided profits, and all other capital reserves net of any unrealized holding gains (losses) on available for sale securities; (G) Net Income – Income earned after all expenses, taxes, and extraordinary items; (H) Total Assets Under Management – Total Discretionary and Non-Discretionary Assets Under Management at market value; (I) Common/Collective Funds – Assets held in Common and/or Collective Investment Funds trustee by company at market value; (J) Number of Funds – Number of Common/Collective Funds; (K) In process of dissolution; (L) Provides administrative services only for employee benefit plans; (M) Operates on a fiscal year ending June 30; (N) Not-for-profit trust company; (O) Operates on a fiscal year ending May 31; (P) Net Assets



CREDIT UNION DIVISION

CREDIT UNION DIVISION

The **CREDIT UNION DIVISION** is responsible for supervision and examination of each state-chartered credit union. Like their counterparts in the Bank Division, credit union examiners perform safety and soundness examinations of each credit union and determine compliance with governing laws and regulations. Credit union examiners perform evaluations of each credit union's assets, liabilities, income, and expenses in order to assess the solvency of the credit union. They also investigate consumer complaints involving credit unions.

The Credit Union Division conducted a voluntary survey at the conclusion of every examination. The survey was mailed with each report of examination. The purpose of the evaluation was to measure the overall efficiency and effectiveness of the examination and to determine adequacy of communication skills. Mr. David Wilson of the Tennessee Credit Union League assured the confidentiality and integrity of this process of data accumulation and summaries. The results of the survey reveal that 90% of the 71 total credit unions responding definitely or generally agreed that the examination process met its goals.

The Credit Union Division received its re-accreditation from the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation is for a five-year period. Additionally, division examiners and supervisors have applied for their NASCUS certifications. The results of this certification process will place our examiners on a national level with other examiners ensuring professionalism, degree of education, and continuing education.

The Division had an increase of 52% in the number of field of membership and by-law approvals with an average processing time of 9.25 days. This represents a 22% improvement in the processing time. The Division met its regulatory requirement for conducting examinations with an improvement in the number of days to process an examination to 19 days. The Division also established an off-site monitoring and follow-up program. This resulted in a substantial improvement in the overall safety and soundness of our state-chartered credit unions.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NEW CHARTERS AND CORPORATE REORGANIZATIONS

MERGERS

DATE OF MERGER

NAME OF INSTITUTION

July 1, 2000

H.I.S. Bruceton Savings Association Credit Union merged with Johnsonville TVA Employees Credit Union, Camden, Tennessee.

October 20, 2000

John Sevier TVA Employees Credit Union merged with Appalachian Federal Credit Union, Kingsport, Tennessee.

December 4, 2000

Caney Fork Cooperative Credit Union merged with Beacon Federal, East Syracuse, New York.

NAME CHANGES

DATE OF CHANGE

NAME OF INSTITUTION

September 21, 2000

Nashville Memorial Hospital Credit Union changed its name to NMH Credit Union, Nashville, Tennessee.

CUSO'S

DATE OF APPROVAL

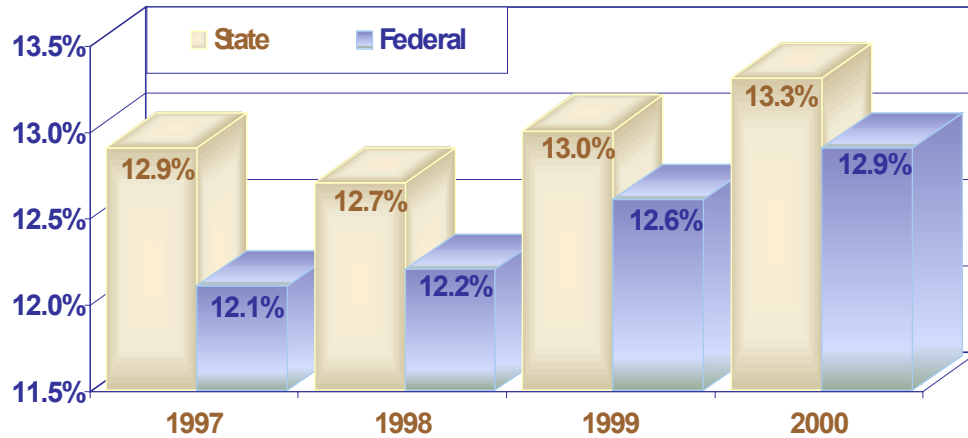
NAME OF CUSO

April 4, 2000

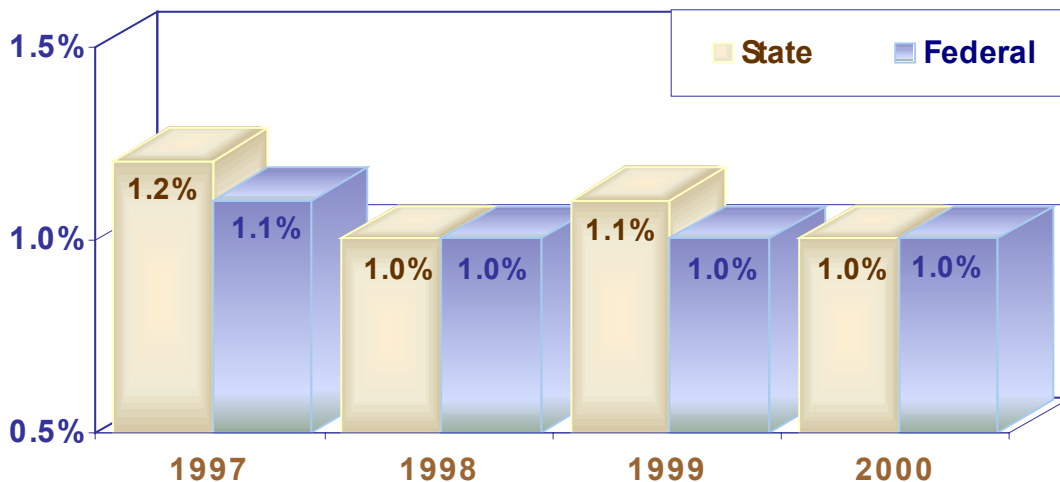
East Tennessee Credit Union Services, Inc., CUSO for Lowland Credit Union, Lowland, Tennessee.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NET WORTH TO ASSET RATIOS FOR TENNESSEE CREDIT UNIONS

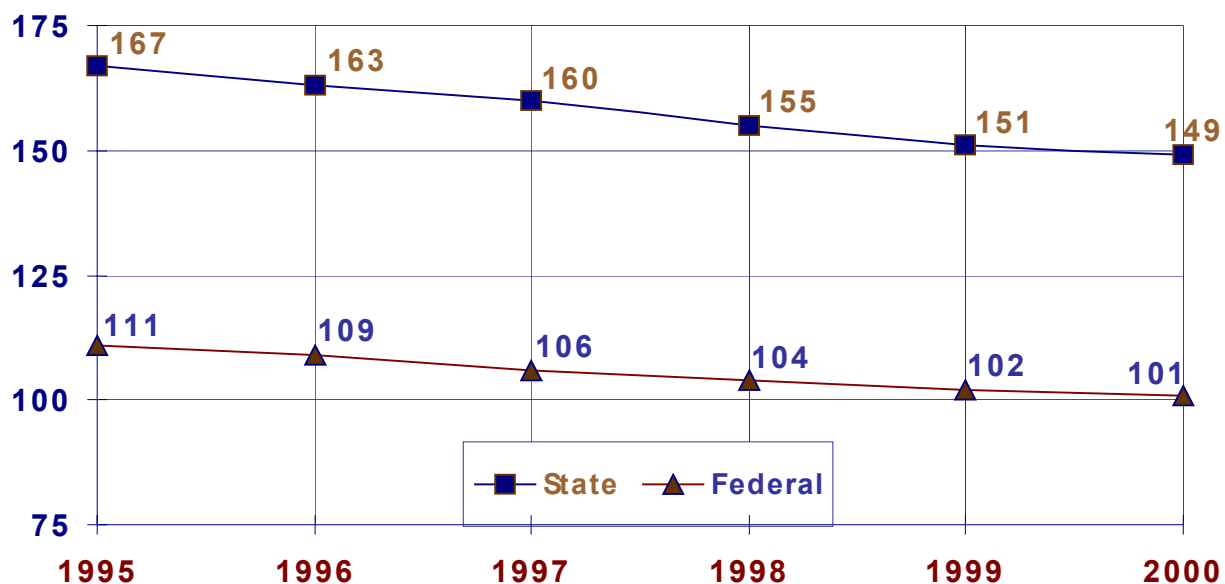


RETURN ON ASSETS

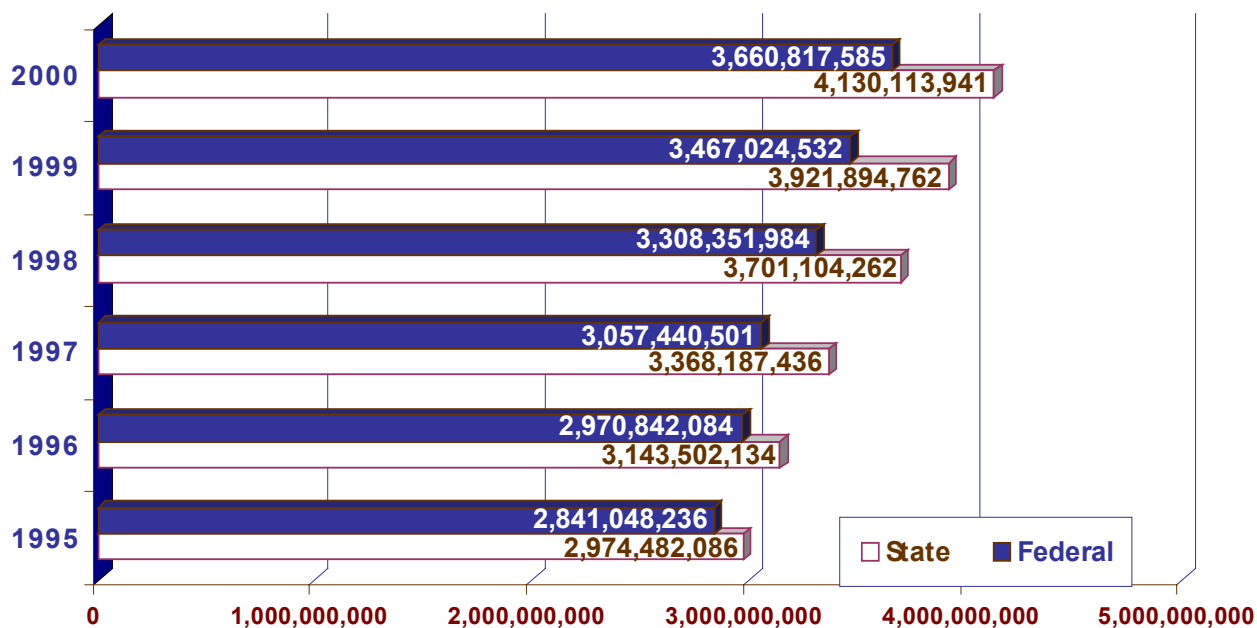


TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

NUMBER OF CREDIT UNIONS IN TENNESSEE



CREDIT UNION ASSETS IN TENNESSEE



TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

KEY RATIOS FOR STATE-CHARTERED CREDIT UNIONS

	December 2000	December 1999
RATIO DESCRIPTION		
CAPITAL ADEQUACY		
Net Worth/Total Assets	13.3%	13.0%
Total Delinquent Loans/Net Worth	3.2%	3.1%
Solvency Evaluation (Estimated)	116.0%	115.2%
Classified Assets (Estimated)/Net Worth	3.7%	3.7%
ASSET QUALITY		
Delinquent Loans/Total Loans	0.6%	0.6%
Net Charge-Offs/Average Loans	0.3%	0.3%
Fair (Market) Value/Book Value (HTM Invests)	101.0%	97.9%
Accumulated Unreal G-L On AFS/CST of Invest AFS	0.5%	-2.5%
Delinquent Loans/Assets	0.4%	0.4%
EARNINGS		
Return on Average Assets	1.0%	1.1%
Gross Income/Average Assets	8.4%	8.1%
Cost of Funds/Average Assets	3.6%	3.4%
Net Margin/Average Assets	4.7%	4.7%
Operating Expense/Average Assets	3.5%	3.4%
Provision for Loan Losses/Average Assets	0.3%	0.3%
Net Interest Margin/Average Assets	3.8%	3.7%
Operating Expense/Gross Income	41.9%	42.7%
Fixed Assets and Oreos/Total Assets	2.0%	2.0%
Net Operation Expense/Average Assets	2.8%	2.8%
ASSET/LIABILITY MANAGEMENT		
Net Long-term Assets/Total Assets	28.1%	29.6%
Reg Shares/Total Shares and Borrowings	28.9%	31.0%
Total Loans/Total Shares	83.4%	81.3%
Total Loans/Total Assets	68.9%	68.2%
Cash + Short-term Investments/Assets	16.5%	19.8%
Total Shares, Deposits and Borrowings/Earning Assets	89.7%	102.3%
Borrowings/Total Shares and Capital	1.8%	2.4%
Estimated Loan Maturity in Months	32.4%	26.2%
OTHER RATIOS		
Market Growth	5.2%	3.6%
Net Worth Growth	7.8%	8.4%
Loan Growth	8.0%	7.9%
Asset Growth	5.3%	6.0%
Investment Growth	66.5%	-36.6%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

KEY RATIOS FOR TENNESSEE FEDERALLY-CHARTERED CREDIT UNIONS

	December 2000	December 1999
RATIO DESCRIPTION		
CAPITAL ADEQUACY		
Net Worth/Total Assets	12.9%	12.6%
Total Delinquent Loans/Net Worth	3.0%	2.9%
Solvency Evaluation (Estimated)	115.0%	114.3%
Classified Assets (Estimated)/Net Worth	3.2%	3.2%
ASSET QUALITY		
Delinquent Loans/Total Loans	0.6%	0.5%
Net Charge-Offs/Average Loans	0.3%	0.3%
Fair (Market) Value/Book Value (HTM Invests)	100.4%	98.1%
Accumulated Unreal G-L On AFS/CST of Invest AFS	-0.1%	-1.8%
Delinquent Loans/Assets	0.4%	0.4%
EARNINGS		
Return on Average Assets	1.0%	1.0%
Gross Income/Average Assets	8.1%	7.9%
Cost of Funds/Average Assets	3.6%	3.4%
Net Margin/Average Assets	4.5%	4.5%
Operating Expense/Average Assets	3.3%	3.3%
Provision for Loan Losses/Average Assets	0.2%	0.3%
Net Interest Margin/Average Assets	3.6%	3.6%
Operating Expense/Gross Income	40.3%	41.5%
Fixed Assets and Oreos/Total Assets	2.1%	2.1%
Net Operation Expense/Average Assets	2.6%	2.7%
ASSET/LIABILITY MANAGEMENT		
Net Long-term Assets/Total Assets	23.3%	24.5%
Reg Shares/Total Shares and Borrowings	36.3%	38.7%
Total Loans/Total Shares	79.5%	78.4%
Total Loans/Total Assets	68.4%	67.8%
Cash + Short-term Investments/Assets	15.9%	15.4%
Total Shares, Deposits and Borrowings/Earning Assets	91.2%	96.7%
Borrowings/Total Shares and Capital	0.2%	0.3%
Estimated Loan Maturity in Months	28.5%	24.8%
OTHER RATIOS		
Market Growth	5.0%	4.6%
Net Worth Growth	8.4%	8.5%
Loan Growth	6.5%	7.3%
Asset Growth	5.6%	4.8%
Investment Growth	26.2%	-15.5%

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

	December 2000	December 1999	\$ Change	% Change
ASSETS				
CASH				
Cash on Hand / *	55,581,568	N/A	-	-
Cash on Deposit / *	291,569,658	N/A	-	-
Cash Equivalents / *	58,533,915	N/A	-	-
TOTAL CASH	405,685,141	495,701,469	-90,016,328	-18.2
INVESTMENTS				
U.S. Government Obligations	40,538,730	38,099,247	2,439,483	6.4
Federal Agency Securities	418,624,849	375,904,990	42,719,859	11.4
All Mutual Funds	8,147,037	10,301,961	-2,154,924	-20.9
Total MCSD and PIC In Corporate	19,582,847	18,493,296	1,089,551	5.9
Corporate Central (CD)	73,033,362	49,311,612	23,721,750	48.1
Banks and S&Ls (CD)	123,709,311	107,711,640	15,997,671	14.9
DEP IN and Loans to Other Credit Unions	3,346,249	3,558,549	-212,300	-6.0
All Other Investments	13,884,566	27,874,364	-13,989,798	-50.2
TOTAL INVESTMENTS	700,866,950	631,255,659	69,611,291	11.0
LOANS AND LEASES				
Unsecured Credit Card Loans	130,023,580	122,026,100	7,997,480	6.6
All Other Unsecured Loans	260,837,798	245,818,613	15,019,185	6.1
New Auto Loans	585,360,680	542,015,681	43,344,999	8.0
Used Auto Loans	604,489,660	557,729,444	46,760,216	8.4
1 st Mortgage Real Estate Loans	921,525,527	851,211,051	70,314,476	8.3
Other Real Estate Loans	255,939,377	233,618,173	22,321,204	9.6
Leases Receivable / **	4,325,484	1,155,557	3,169,927	274.3
Other Member Loans	122,430,283	116,759,577	5,670,706	4.9
All Other Loans	2,667,934	3,559,560	-891,626	-25.0
TOTAL LOANS	2,887,600,323	2,673,893,756	213,706,567	8.0
LESS: ALLOWANCE FOR LOAN AND LEASES	20,589,686	19,134,316	1,455,370	7.6
Other Real Estate Owned	5,716,723	1,813,707	3,903,016	215.2
Land and BLDG (Net of Depreciation)	58,877,359	56,692,038	2,185,321	3.9
Other Fixed Assets	17,548,610	18,158,980	-610,370	-3.4
Share INS CAP Deposit	32,089,437	29,924,871	2,164,566	7.2
Other Assets	42,319,084	33,588,598	8,730,486	26.0
TOTAL ASSETS	4,130,113,941	3,921,894,762	208,219,179	5.3
TOTAL CREDIT UNIONS	148	151	-3	-2.0

* Data Not Available Prior to 2000

** Data Not Available Prior to 1999

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

Consolidated Balance Sheet

(In Actual Numbers)

	December 2000	December 1999	\$ Change	\$ Change
LIABILITIES, SHARES AND EQUITY				
LIABILITIES				
Promissory and Other Notes Pay	71,780,349	90,752,096	-18,971,747	-20.9
Reverse Repo Agreement	0	0	-	-
Subordinated CDCU Debt	0	0	-	-
Uninsured Second Capital	0	0	-	-
Dividend/Interest Payable	13,650,722	11,058,081	2,592,641	23.4
Accounts Payable and Liabilities	29,255,309	27,516,094	1,739,215	6.3
TOTAL LIABILITIES	114,686,380	129,326,271	-14,639,891	-11.3
SAVINGS/DEPOSITS				
Share Drafts	387,039,194	341,779,389	45,259,805	13.2
Regular Shares	1,019,984,249	1,046,751,151	-26,766,902	-2.6
Money Market Shares	507,095,0544	537,431,121	-29,526,077	-5.5
Share Certificates	1,143,068,118	975,866,387	167,201,731	17.1
IRA/KEOGH Accounts	335,033,867	320,527,519	14,506,348	4.5
All Other Shares	63,690,316	65,171,540	-1,481,224	-2.3
Non-Member Deposits	4,855,445	3,405,218	1,450,227	42.6
TOTAL SAVINGS/DEPOSITS	3,461,576,242	3,290,932,334	170,643,908	5.2
EQUITY				
Undivided Earnings	306,657,736	278,619,822	28,037,914	10.1
Regular Reserves	170,637,953	159,384,028	11,253,925	7.1
Appropriations for Non-Conform Investments	1,000	1,000	0.0	0.0
Other Reserves	73,269,437	72,904,868	364,569	0.5
Miscellaneous Equity / *	1,522,561	N/A	-	-
Unrealized G/L A-F-S SEC	1,761,378	-9,273,560	11,034,938	119.0
Unrealized G/L CF Hedges / **	0	N/A	-	-
Other Comprehensive Income / **	1,254	N/A	-	-
Net Income	N/A	N/A	-	-
EQUITY TOTAL	553,851,319	501,636,158	52,215,161	10.4
TOTAL SAVINGS/EQUITY	4,015,427,561	3,792,568,492	222,859,069	5.9
TOTAL LIABILITY/SAVINGS/EQUITY	4,130,113,941	3,921,894,762	208,219,179	5.3
NCUA INSURED SAVINGS				
Uninsured Shares	231,575,658	184,797,120	46,778,538	25.3
Uninsured Non-Member Deposits	322,184	571,026	-248,842	-43.6
Total Uninsured Shares and Deposits	231,897,842	185,368,146	46,529,696	25.1
Insured Shares and Deposits	3,229,678,400	3,105,564,188	124,114,212	4.0

* Contained in Other Reserves Prior to 2000

** Contained in Unrealized G/L A-F-S Sec Prior to 2000

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

Consolidated Income Statement

(In Actual Numbers)

	December 2000	December 1999	\$ Change	% Change
INCOME AND EXPENSE				
INTEREST INCOME				
Interest on Loans	233,975,572	214,961,126	19,014,446	8.8
Less Interest Refund	168,029	1,240,418	-1,072,389	-86.5
Income from Investments	64,047,725	58,095,347	5,952,378	10.2
Income from Trading	35,297	5,970	29,327	491.2
TOTAL INTEREST INCOME	297,890,565	271,822,025	26,068,540	9.6
INTEREST EXPENSE				
Dividends	87,030,576	73,778,617	13,251,959	18.0
Interest on Deposits	54,678,858	52,555,095	2,123,763	4.0
Interest on Borrowed Money	4,521,251	3,189,138	1,332,113	41.8
TOTAL INTEREST EXPENSE	146,230,685	129,522,850	16,707,835	12.9
Provision for Loan and Lease Losses	11,129,929	11,392,532	-262,603	-2.3
NET INTEREST INCOME AFTER PLL	140,529,951	130,906,643	9,623,308	7.4
NON-INTEREST INCOME				
Fee Income	27,267,147	24,171,058	3,096,089	12.8
Other Operating Income	12,090,171	11,359,731	730,440	6.4
Gain (Loss) on Investments	-227,124	105,521	-332,645	-315.2
Gain (Loss) on Disposable Assets	29,939	25,239	4,700	18.6
Other Non-Operating Income and Expense	2,698,856	4,729,982	-2,031,126	-42.9
TOTAL NON-INTEREST INCOME	41,858,989	40,391,531	1,467,458	3.6
NON-INTEREST EXPENSE				
Employee Compensation and Benefits	72,843,274	67,333,105	5,510,169	8.2
Travel, Conference Expense	2,273,341	2,085,721	187,620	9.0
Office Occupancy	9,242,023	8,552,699	689,324	8.1
Office Operation Expense	30,695,048	28,317,212	2,323,836	8.2
Educational and Promotion	3,740,365	3,499,026	241,339	6.9
Loan Servicing expense	5,257,341	4,505,159	752,182	16.7
Professional, Outside Service	9,552,200	9,144,734	407,466	4.5
Member Insurance	2,354,515	2,573,438	-218,923	-8.5
Operating Fees	1,874,648	1,458,494	416,154	28.5
Miscellaneous Operating Expense	3,430,497	3,575,318	-144,821	-4.1
TOTAL NON-INTEREST EXPENSE	141,263,252	131,098,906	10,164,346	7.8
NET INCOME	41,125,688	40,199,268	926,420	2.3
RESERVE TRANSFERS				
Transfer to Regular Reserve / *	8,425,315	8,612,366	-187,051	-2.2
* Transfer to Regular Reserves (Gross) Prior to 2000				

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FEDERALLY-CHARTERED CREDIT UNIONS

Consolidated Balance Sheet

(In Actual Numbers)

	December 2000	December 1999	\$ Change	% Change
ASSETS				
CASH				
Cash on Hand / *	75,424,064	N/A	-	-
Cash on Deposit / *	189,535,257	N/A	-	-
Cash Equivalents / *	36,885,126	N/A	-	-
TOTAL CASH	301,844,447	235,217,196	66,627,251	28.33
INVESTMENTS				
U.S. Government Obligations	16,374,283	18,000,704	-1,626,421	-9.04
Federal Agency Securities	492,961,598	454,538,863	38,422,735	8.45
All Mutual Funds	12,827,893	26,454,828	-13,626,935	-51.51
Total MCSD and PIC In Corporate	18,209,795	16,794,668	1,415,127	8.43
Corporate Central (CD)	53,995,865	102,434,581	-48,438,716	-47.29
Banks and S&Ls (CD)	120,402,907	119,201,459	1,201,448	1.01
DEP IN and Loans to Other Credit Unions	5,660,323	9,009,576	-3,349,253	-37.17
All Other Investments	13,023,547	14,210,105	-1,186,558	-8.35
TOTAL INVESTMENTS	733,456,212	760,644,784	-27,188,572	-3.57
LOANS AND LEASES				
Unsecured Credit Card Loans	140,154,943	129,870,440	10,284,503	7.92
All Other Unsecured Loans	232,483,230	224,808,444	7,784,786	3.41
New Auto Loans	518,808,597	489,205,462	29,603,135	6.05
Used Auto Loans	528,874,318	491,126,750	37,747,568	7.69
1 st Mortgage Real Estate Loans	805,167,954	769,379,490	35,788,464	4.65
Other Real Estate Loans	175,515,887	149,025,190	26,490,697	17.78
Leases Receivable / **	1,334,804	8,325,569	-6,990,765	-83.97
Other Member Loans	94,837,293	86,796,784	8,040,509	9.26
All Other Loans	7,327,034	2,448,817	4,878,217	199.21
TOTAL LOANS	2,504,504,060	2,350,986,946	153,517,114	6.53
LESS: ALLOWANCE FOR LOAN AND LEASES	15,171,425	14,081,942	1,089,483	7.74
Other Real Estate Owned	1,089,001	127,452	961,549	754.44
Land and BLDG (Net of Depreciation)	60,330,912	58,554,262	1,776,650	3.03
Other Fixed Assets	14,034,183	15,505,543	-1,471,360	-9.49
Share INS CAP Deposit	29,096,154	27,548,373	1,547,781	5.62
Other Assets	31,634,041	32,521,918	-887,877	-2.73
TOTAL ASSETS	3,660,817,585	3,467,024,532	193,793,053	5.59
TOTAL CREDIT UNIONS	101	102	-1	-0.98

* Data Not Available Prior to 2000

** Data Not Available Prior to 1999

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FEDERALLY-CHARTERED CREDIT UNIONS

Consolidated Balance Sheet

(In Actual Numbers)

	December 2000	December 1999	\$ Change	% Change
LIABILITIES, SHARES AND EQUITY				
LIABILITIES				
Promissory and Other Notes Pay	8,556,950	9,687,294	-1,130,344	-11.7
Reverse Repo Agreement	0	0	-	-
Subordinated CDCU Debt	0	0	-	-
Uninsured Second Capital	0	0	-	-
Dividend/Interest Payable	15,610,190	13,055,359	2,554,831	19.6
Accounts Payable and Liabilities	14,214,634	13,890,451	324,093	2.3
TOTAL LIABILITIES	38,381,774	36,633,194	1,748,580	4.8
SAVINGS/DEPOSITS				
Share Drafts	378,672,718	351,343,803	27,328,915	7.8
Regular Shares	1,146,001,504	1,163,844,528	-17,843,024	-1.5
Money Market Shares	297,311,875	302,802,505	-5,490,630	-1.8
Share Certificates	946,232,052	801,188,906	145,043,146	18.1
IRA/KEOGH Accounts	348,379,022	344,610,894	3,768,128	1.1
All Other Shares	31,489,392	35,067,128	-3,577,736	-10.2
Non-Member Deposits	1,636,526	1,487,492	149,034	10.0
TOTAL SAVINGS/DEPOSITS	3,149,723,094	3,000,345,257	149,377,837	5.0
EQUITY				
Undivided Earnings	291,565,824	259,835,789	21,730,035	8.1
Regular Reserves	136,072,112	130,102,974	5,969,138	4.6
Appropriations for Non-Conform Investments	0	0	-	-
Other Reserves	45,271,130	36,451,429	8,819,701	24.2
Miscellaneous Equity / *	245,850	N/A	-	-
Unrealized G/L A-F-S SEC	-442,199	-6,344,111	5,901,912	93.0
Unrealized G/L CF Hedges / **	0	N/A	-	-
Other Comprehensive Income / **	0	N/A	-	-
Net Income	N/A	N/A	-	-
EQUITY TOTAL	472,712,717	430,046,081	42,666,636	9.9
TOTAL SAVINGS/EQUITY	3,622,435,811	3,430,391,338	192,044,473	5.6
TOTAL LIABILITY/SAVINGS/EQUITY	3,660,817,585	3,467,024,532	193,793,053	5.6
NCUA INSURED SAVINGS				
Uninsured Shares	155,073,561	140,721,124	14,352,437	10.2
Uninsured Non-Member Deposits	451,328	81,630	369,698	452.9
Total Uninsured Shares and Deposits	155,524,889	140,802,754	14,722,135	10.5
Insured Shares and Deposits	2,994,198,205	2,859,542,503	134,655,702	4.7

* Contained in Other Reserves Prior to 2000

** Contained in Unrealized G/L A-F-S Sec Prior to 2000

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FEDERALLY-CHARTERED CREDIT UNIONS

Consolidated Income Statement

(In Actual Numbers)

	December 2000	December 1999	\$ Change	% Change
INCOME AND EXPENSE				
INTEREST INCOME				
Interest on Loans	201,215,406	185,224,797	15,990,609	8.6
Less Interest Refund	614,282	138,323	475,959	344.1
Income from Investments	54,956,375	52,547,455	2,408,920	4.6
Income from Trading	0	0	-	-
TOTAL INTEREST INCOME	255,557,499	237,633,929	17,923,570	7.5
INTEREST EXPENSE				
Dividends	127,576,452	113,912,781	13,663,671	12.0
Interest on Deposits	0	0	-	-
Interest on Borrowed Money	631,435	605,210	26,225	4.3
TOTAL INTEREST EXPENSE	128,207,887	114,517,991	13,689,896	12.0
Provision for Loan and Lease Losses	8,906,535	8,597,621	308,914	3.6
NET INTEREST INCOME AFTER PLL	118,443,077	114,518,317	3,924,760	3.4
NON-INTEREST INCOME				
Fee Income	23,507,639	20,849,403	2,658,236	12.7
Other Operating Income	9,744,125	8,938,411	805,714	9.0
Gain (Loss) on Investments	-13,185	477,437	-490,622	-102.8
Gain (Loss) on Disposable Assets	157,210	60,257	96,953	160.9
Other Non-Operating Income and Expense	950,811	609,553	341,258	56.0
TOTAL NON-INTEREST INCOME	35,346,600	30,935,061	3,411,539	11.0
NON-INTEREST EXPENSE				
Employee Compensation and Benefits	57,726,724	54,682,208	3,044,516	5.6
Travel, Conference Expense	1,664,004	1,629,098	34,906	2.1
Office Occupancy	7,855,983	77,584,248	271,735	3.6
Office Operation Expense	23,934,274	23,702,263	232,011	1.0
Educational and Promotion	3,394,276	3,127,854	266,422	8.5
Loan Servicing expense	3,967,554	3,632,634	334,920	9.2
Professional, Outside Service	11,888,364	11,047,808	840,556	7.6
Member Insurance	2,116,174	2,233,031	-116,857	-5.2
Operating Fees	969,034	893,703	75,331	8.4
Miscellaneous Operating Expense	2,865,360	2,548,031	317,329	12.5
TOTAL NON-INTEREST EXPENSE	116,381,747	111,080,878	5,300,869	4.8
NET INCOME	36,407,930	34,372,500	2,035,430	5.9
RESERVE TRANSFERS				
Transfer to Regular Reserve / *	7,872,464	7,715,696	156,768	2.0

*Transfer to Regular Reserves (Gross) Prior to 2000

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

STATE-CHARTERED CREDIT UNIONS

Credit Union Name	Address	City	Zip	Full-time Emp.	# of Members	Total Assets
A.U.B. EMPLOYEES'	P. O. Box 689	Athens	37303	0	225	641,547
AFG EMPLOYEES	P.O. Box 919	Kingsport	37662	9	3618	13,264,959
ALADDIN EMPLOYEES	703 Murfreesboro Rd.	Nashville	37210	5	2380	9,327,723
ALLIED PRINTERS/IBEW 846	P.O. Box 4008	Chattanooga	37405	3	1162	4,191,856
AMERICAN FEDERAL SAV.	3048 Harvester Ln.	Memphis	38127	44	19653	42,965,033
AMERICAN UNIFORM	1007 Keith St. NW	Cleveland	37311	4	2327	5,978,987
APCO EMPLOYEES'	2000 Tellico Ave.	Athens	37303	0	527	1,408,052
APPLIANCE	P. O. Box 2790	Cleveland	37320	4	2580	6,324,906
AQUA GLASS EMPLOYEES	Industrial Park	Adamsville	38310	1	989	842,686
AVERITT EXPRESS S.A.	P.O. Box 3166	Cookeville	38502	2	4667	5,001,968
BAPTIST HOSPITAL	2010 Church St., Ste. 204	Nashville	37203	8	3477	11,374,347
BCBST EMPLOYEES	801 Pine St.	Chattanooga	37402	3	2181	4,951,205
BETHLEHEM COMMUNITY DEV.	P.O. Box 2131	Chattanooga	37409	1	308	867,446
BLAZER	PO Box 2310	Cleveland	37320	1	658	933,478
BLUE FLAME	665 Mainstream Dr.	Nashville	37228	2	650	2,577,590
BOWATERS EMPLOYEES	P.O. Box 359	Calhoun	37309	23	8991	80,139,213
BRISTOL TENN ELECTRIC SYS.	P.O. Box 549	Bristol	37621	0	266	818,653
BRISTOL TENNESSEE TEACHER'S	615 Edgemont Ave.	Bristol	37620	1	590	2,435,146
BROCK EMPLOYEES	P.O. Box 22427	Chattanooga	37422	1	513	1,420,333
CARTA EMPLOYEES'	1617 Wilcox Blvd.	Chattanooga	37406	0	365	742,746
CECO OF MILAN	9159 Telecom Dr.	Milan	38358	0	345	568,768
CEMC EMPLOYEES	P.O. Box 3300	Clarksville	37043	0	459	2,044,092
CHATTANOOGA FED. EMP.	P.O. Box 22205	Chattanooga	37422	8	2772	22,483,147
CITY EMPLOYEES	100 E. 11th , 106 City Hall Annex	Chattanooga	37402	6	2457	8,431,516
CITY EMPLOYEES	1720 Western Ave.	Knoxville	37921	15	6599	41,548,869
CITY OF MEMPHIS	2608 Avery Ave.	Memphis	38112	45	15999	120,627,807
COLLEGE DALE	P.O. Box 2098	Collegedale	37315	13	5762	21,326,299
COLUMBIA REGIONAL	142 Bear Creek Pk.	Columbia	38401	5	1983	8,388,833
CONSUMER	311 CCU Blvd.	Greenville	37745	30	20136	86,191,123
CO-OP EMPLOYEE	P.O. Box 300	Laverne	37086	1	1004	2,431,588
COVENANT HEALTH	702 19th St.	Knoxville	37916	11	5586	16,342,668
C.U. FOR ROBERTSON COUNTY	2416 Memorial Blvd.	Springfield	37172	8	3800	10,541,705
D.H.S.	400 Deaderick St.	Nashville	37248	4	2657	6,512,176
D.O.T.	Ste. 300, J.K. Polk Bldg.	Nashville	37243	4	2054	3,457,730
DIXIE LINE	567 Veritas Dr.	Nashville	37211	4	1391	4,968,145
DOBBS EMPLOYEES S.A.	5100 Poplar Ave.	Memphis	38018	5	4799	6,565,123
DREMCO	P.O. Box 89	Shelbyville	37162	0	444	2,245,128
DUPONT COMMUNITY	P.O. Box 1058	Hixson	37343	32	15000	64,257,716
DUPONT MEMPHIS PLANT EMP.	P.O. Box 27321	Memphis	38167	4	2091	13,107,380
DYERSBURG	P.O. Box 506	Dyersburg	38025	6	2653	5,966,352
EASTMAN	P.O. Box 1989	Kingsport	37662	150	46677	896,288,613
EDUCATORS	P. O. BOX 120729	Nashville	37212	79	25609	123,309,291
ELECTRIC SERVICE	P. O. Box 24117	Nashville	37202	11	3038	33,456,677
EMPLOYEE RESOURCES	P. O. Box 987	Lawrenceburg	38464	9	3952	14,538,089
EMPLOYEES' CREDIT ASSN.	P.O. Box 731 Ste. 148	Nashville	37202	22	8409	25,605,074
EMPLOYMENT SECURITY	500 James Robertson Pkwy., Ste. 730	Nashville	37245	5	2116	11,535,869
EPB EMPLOYEES	1500 McCallie Ave.	Chattanooga	37404	6	2424	21,142,009
EPCO	P. O. Box 1219	Shelbyville	37162	30	9423	60,081,101
FIRST KINGSFORT	408 Clay St.	Kingsport	37660	11	2995	15,233,656

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

FIRST SOUTH	6471 State Rd., Ste. 200	Bartlett	38134	109	50098	220,754,218
FREE PRESS	400 East 11 th St.	Chattanooga	37403	1	539	2,015,296
FULTON	100 N. 17th St.	Knoxville	37921	20	7016	31,600,324
GALLATIN STEAM PLANT	1499 Steam Plant Rd.	Gallatin	37066	1	682	4,176,468
GATEWAY	202 Uffelman Dr.	Clarksville	37043	6	1616	4,949,748
GOLDSMITH EMPLOYEES	4545 Poplar Ave.	Memphis	38117	1	379	457,600
GREATER EASTERN	2110 Mountcastle Dr.	Johnson City	37604	8	3111	19,228,009
GREENEVILLE CITY EMPLOYEES'	129 Charles St., Ste. 3	Greeneville	37743	1	740	3,545,682
GREENEVILLE WORKS EMP. S.A.	P.O. Box 1790	Greeneville	37744	0	476	1,685,799
HAPPY VALLEY	P.O. Box 1838	Elizabethton	37644	9	4391	16,945,848
HARDIN CTY HOSPITAL EMPLS.	2006 Wayne Rd.	Savannah	38372	0	259	564,364
HEALTH SYSTEMS	4005 N. Broadway	Knoxville	37917	4	1729	5,155,686
HEALTHCARE SERVICES	975 East Third St.	Chattanooga	37403	8	3542	9,281,205
HOLLEY	P.O. Box 398	Paris	38242	8	3619	11,031,148
HOLLISTON MILLS EMPLOYEES'	P.O. Box 478	Kingsport	37662	1	386	1,608,195
HOLSTON VALLEY	216 West Ravine Rd.	Kingsport	37660	6	3017	8,502,805
HURD EMPLOYEES	P.O. Box 2157	Greeneville	37744	1	499	2,020,869
ILLINOIS CENTRAL EMPLOYEES	2005 Nonconnah Blvd., Ste. 7	Memphis	38132	2	1598	5,021,366
INLAND CONTAINER CU	P.O. Box 1795	Elizabethton	37644	1	215	1,248,010
JACK DANIELS EMPLOYEES	P.O. Box 199	Lynchburg	37352	2	979	6,802,162
JACKSON CITY AND CTY EMPLS.	P.O. Box 7625	Jackson	38302	4	1733	3,903,014
JEFFERSON CTY EDUCATORS'	P.O. Box 1044	Dandridge	37725	0	535	500,289
JOHN DEERE EMPLOYEES	3003 Airways Blvd., Ste. 709	Memphis	38131	2	671	5,596,563
JOHNSON CITY FED. EMPLS.	P.O. Box 833	Johnson City	37605	0	135	337,815
JOHNSONVILLE TVA EMPLS.	209 Hwy 641 North	Camden	38320	14	6261	31,320,716
KIMBERLY CLARK	1520 N Second St.	Memphis	38107	22	9731	59,221,185
KINGSPORT PRESS CU	528 W. Center St.	Kingsport	37660	19	6103	28,784,607
KINGSTON TVA EMPLOYEES	174 Swan Pond Rd.	Harriman	37748	1	801	2,352,266
KNOX CO. EMPLOYEES	400 Main Ave., Rm 355	Knoxville	37902	4	1779	5,129,204
KNOXVILLE NEWS SENTINEL	204 W. Church Ave.	Knoxville	37902	3	775	7,111,896
KNOXVILLE POST OFFICE	P. O. Box 12779	Knoxville	37912	21	6604	30,180,840
KNOXVILLE TVA EMPLOYEES	P. O. Box 15994	Knoxville	37901	152	64056	316,184,114
L.M.P.C.O. EMPLS CREDIT ASSN.	119 Hamlett St.	Lexington	38351	1	1239	1,061,765
LAKE SIDE EMPLS.	1008 Broadway Ave.	New Johnsonville	37134	13	3553	27,201,246
LANGSTON BAG CO. EMP. S.A.	P. O. Box 60	Memphis	38101	0	62	44,584
LEADERS CREDIT UNION	P.O. Box 3548	Jackson	38303	25	12118	43,169,478
LEAGUE CENTRAL	P.O. Box 3658	Chattanooga	37404	19	12827	22,354,716
LEON-FERENBACH EMPLOYEES	P.O. Box 450	Johnson City	37605	0	87	105,963
LIFEWAY	127 Ninth Ave., North	Nashville	37234	7	2914	22,347,071
LOWLAND	1045 South Cumberland St.	Morristown	37813	24	9685	38,918,772
M.P.D. EMPLOYEES	306 Gay St., Ste. 105	Nashville	37201	6	1893	7,665,170
MADISON COUNTY IND. PARK	822 Whitehall St.	Jackson	38301	2	1697	1,527,752
MARYVILLE MUNICIPAL	321 W. Broadway Ave.	Maryville	37801	4	1163	5,613,673
MAURY EDUCATORS'	5021 - B1 Trotwood Ave.	Columbia	38401	4	1657	6,079,226
MAURY PROGRESSIVE	P.O. Box 1879	Columbia	38401	4	1771	5,176,814
MCKEE BAKING CO. EMPLOYEES	P.O. Box 3301	Collegedale	37315	7	4933	10,744,208
MCNAIRY CO. EDUCATIONAL	P.O. Box 412	Selmer	38375	0	277	226,041
MCQUIDDY	711 Spence Ln.	Nashville	37217	0	88	211,889
MEDICAL CENTER	205 Hayes St.	Crossville	38555	6	1901	8,263,293
MEDICAL CENTER	400 N. State of Franklin Rd.	Johnson City	37604	6	3294	6,804,408
MEMBERS 1 ST	P.O. Box 703	Morristown	37815	12	4623	18,739,983
MEMORIAL HOSPITAL EMP	1317 Hickory Valley Rd.	Chattanooga	37421	8	3698	8,224,973
MEMPHIS AREA TEACHERS'	7845 Hwy 64	Memphis	38133	155	73479	359,967,637
MEMPHIS PUBLISHING CO. EMP.	495 Union Ave.	Memphis	38103	4	1442	9,106,827
METRO EMPLOYEES	700 2nd Ave. S.	Nashville	37210	8	3112	10,329,849
METROPOLITAN TEACHERS	1605 Jefferson St.	Nashville	37208	0	844	2,180,413
N M H CREDIT UNION	Skyline Medical Plaza, G-10	Nashville	37207	5	2282	11,147,645

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N.G.H.	1818 Albion St.	Nashville	37208	7	1855	5,948,825
NASHVILLE FIREMEN'S	P.O. Box 60567	Nashville	37206	5	1680	9,146,940
NASHVILLE POST OFFICE	P.O. Box 291233	Nashville	37229	15	5189	58,690,743
NEWSPAPER AND PRINTERS	1100 Broadway	Nashville	37203	1	791	2,487,640
NORTHEAST COMMUNITY	980 West E St.	Elizabethton	37643	19	6722	28,976,629
O.M.C. EMPLOYEES'	P.O. Box 248	Charleston	37310	2	1761	18,765,670
OLAN MILLS SAV. ASSN.	P.O. BOX 2345	Chattanooga	37422	2	1296	4,739,565
OLD HICKORY EMPLOYEES	P.O. Box 431	Old Hickory	37138	89	30177	126,025,868
OLIVET BAPTIST	3084 Southern Ave.	Memphis	38111	0	763	167,887
P.I.A.S.	P.O. Box 100310	Nashville	37224	4	3443	5,324,972
PARCEL EMPLOYEES	3385 Airways Blvd., Ste. 133	Memphis	38116	4	2638	6,609,824
PARKRIDGE	P.O. Box 3146	Chattanooga	37404	2	805	2,514,400
PATHWAY	P.O. Box 2035	Cleveland	37320	2	1072	2,423,882
PEOPLES CHOICE	1500 South First St.	Union City	38261	9	3329	11,122,782
PORTER-CABLE EMPLOYEES	P.O. Box 2468	Jackson	38302	1	981	1,392,119
POSTAL EMPLOYEES	57 Directors Row	Jackson	38305	10	3681	18,286,640
POSTAL EMPLOYEES	P.O. Box 2278	Memphis	38101	11	3306	16,367,630
PRC EMPLOYEES CREDIT ASSN.	P.O. Box 758	Paris	38242	2	1189	1,273,920
PROFESSIONAL TEACHERS	211 W. College	McMinnville	37110	1	501	937,404
ROHM AND HAAS EMPLOYEES	P. O. Box 591	Knoxville	37901	0	1043	10,460,483
SIGNAL CEMENT WORKERS	1201 Suck Creek Rd.	Chattanooga	37405	0	474	1,812,821
SMITH & NEPHEW EMPLOYEES	1450 E. Brooks Rd.	Memphis	38116	4	1660	6,238,122
SOUTHERN	P.O. Box 3490	Chattanooga	37404	8	3498	15,343,006
SOUTHERN RAILWAY EMPLS.	3261 North Mall Rd.	Knoxville	37924	0	1804	11,504,925
ST. THOMAS HOSPITAL EMPLS.	111 Bosley Spring Rd., Ste. 101	Nashville	37205	4	2600	10,845,333
SULLIVAN COUNTY EMPLS.	3306 Hwy. 126	Blountville	37617	6	2284	10,199,562
TENNESSEE DEPT OF SAFETY	1150 Foster Ave.	Nashville	37210	2	1648	4,575,822
TENNESSEE PAPER MILLS	P.O. Box 4008	Chattanooga	37405	1	415	2,896,606
TENNESSEE TEACHERS	P.O. Box 22881	Nashville	37202	81	30569	155,920,005
TENNESSEE TELCO	P.O. Box 6000	Brentwood	37024	51	17365	127,584,047
TENNESSEE WORKERS	P. O. Box 60009	Nashville	37206	29	12738	31,594,923
THE SAINTS	6005 Park Ave., Ste. 104	Memphis	38119	2	1650	2,770,721
TOP-O-RING EMPLOYEES	104 Hartmann Dr.	Lebanon	37087	0	321	759,342
U. S. COURTHOUSE	P.O. Box 25047	Nashville	37202	31	13113	68,449,791
U. S. T. C. EMPLOYEES	800 Harrison St.	Nashville	37203	0	268	552,595
UNITED CREDIT UNION	4329 HWY 66 Ste. 5	Rogersville	37857	2	1154	2,590,772
VANDERBILT UNIV. EMPLS.	1313 21st Ave. S., Rm. 107	Nashville	37212	6	5065	11,105,496
WALLACE HARDWARE EMPLS.	P.O Box 687	Morristown	37815	0	330	623,668
WCG EMPLOYEES	P.O. Box 284	Martin	38237	0	261	504,707
WEAVEXX	P.O Box 1030	Greeneville	37744	0	250	1,367,992
WILLIS CORROON	26 Century Blvd., Ste. 101	Nashville	37214	4	3474	7,795,539
YAT EMPLOYEES	100 Yale Ave.	Lenoir City	37771	2	983	3,579,198



COMPLIANCE DIVISION

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLIANCE DIVISION

I. OVERVIEW

The **COMPLIANCE DIVISION** is responsible for the licensing and regulatory supervision of the following seven types of financial institutions operating in Tennessee:

- Check Cashing
- Deferred Presentment Service Companies
- Money Transmitters
- Industrial Loan & Thrift Companies
- Insurance Premium Finance Companies
- Residential Mortgage Lenders, Brokers, and Servicers

With the development of a comprehensive examination program, all of the above industries are subject to periodic examinations by the Division's field examiners. The Compliance Division's examinations are designed to test and enforce compliance with Tennessee laws as well as Federal regulations. These laws were written in order to protect the consumer by limiting the amount of interest, loan charges, and insurance charges that can be assessed to them.

The field examiners also investigate consumer complaints and allegations of consumer fraud and usury. The Division's staff is also responsible for investigating consumer complaints involving title pledge lenders and reports of inadequate or inaccurate disclosures given to consumers by these title pledge lenders.

II. CHECK CASHING COMPANIES

The activities of Check Cashing Companies are governed by "The Check Cashing Act of 1997", codified as T.C.A. Title 45, Chapter 18. Retailers who cash checks incidental to their retail operations are exempt from the Act if their compensation for cashing checks does not exceed five per cent (5%) of their gross receipts. See T.C.A. § 45-18-103(5).

A. Licensing

To obtain a check cashing license, an applicant must maintain a net worth of at least \$25,000.00 and demonstrate sufficient character and experience to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. There were 300 locations licensed as of December 31, 2000.

B. Examinations

Examinations of licensed check cashers are conducted pursuant to T.C.A. § 45-18-113. During calendar year 2000, the Division conducted 174 exams of licensed check cashing companies. These exams resulted in 29 refunds totaling \$1,903.23.

III. DEFERRED PRESENTMENT SERVICE COMPANIES

A. Licensing

Last year, this Division identified seven companies operating without a license. Businesses wanting to obtain a license were required to refund any fees they collected in excess of those authorized by the Act and pay civil money penalties.

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B. Examinations

For the year ending December 31, 2001, this Division conducted 884 examinations of deferred presentment offices. Typically, compliance examiners review a random sample of the licensee's transactions by looking at the fees charged and the disclosures given to the customers. Violations were cited in 167 or 19% of these examinations. This compares with 53% in 1998 and 24% in 1999. Licensees were required to refund all excessive or unauthorized fees pursuant to T.C.A. § 45-17-115, resulting in total refunds of \$50,147.00 to 547 customer accounts. The Department took administrative action against repeat violators by having six companies sign Consent Orders, and assessing one civil money penalty of \$2,000.00. Five companies failed to take appropriate action and, as a result, the Department denied their license renewal applications.

C. Consumer Complaints

Under T.C.A. § 45-17-117, any person aggrieved by the conduct of a licensee under this chapter in connection with the licensee's regulated activities may file a written complaint with the Commissioner who may investigate the complaint. Generally, complaints involve licensees who had either charged service fees in excess of the rate authorized by T.C.A. § 45-17-112(b) or imposed late fees. Last year, this Division received 13 complaints, resulting in either refunds or credits to six customers for a total of \$902.00. One company signed a Consent Order. This compares with 23 written complaints received in 1998, and 17 received in 1999.

D. Annual Report Information

By September 1st of each year, each licensee must, pursuant to T.C.A. § 45-17-119, file with the Commissioner of Financial Institutions an Annual Report covering the licensee's business activities as of the close of business on June 30. These reports include a balance sheet, statement of income and expense, as well as other statistical data consistent with generally accepted accounting principles.

The following tabulation represents aggregate information from reports filed by 358 companies with 846 branch offices. The Department did not require an annual report from companies opened after June 2000:

Total Assets	\$80,962,486
Receivables Outstanding	\$27,114,469
Total Liabilities	\$22,905,093
Net Worth	\$58,057,393

Total assets of the average sized company operating in Tennessee are \$228,063.00. We have 21 companies with assets in excess of \$500,000.00 and 129 with assets of between \$100,00.00 and \$500,00.00. The remaining companies have assets under \$100,000.00. As with many small companies, funding for the business is supplied principally by the owner(s) with total assets being comprised of 28.3% liabilities and 71.7% owner equity. About 3.5% of assets are invested in receivables with the balance in fixed and other assets.

i. Income Information for 12 Months Ended June 30, 2000

The following information was compiled from the statements of income and expenses for the period of July 1, 1999 to June 30, 2000:

Total Operating Income	\$92,754,337
Salary Expense	\$23,992,891
Bad Debt Expense	\$ 6,289,839
Net Income (After Tax)	\$11,981,884

Of the 358 reporting companies, 70 reported operating losses and 25 reported net income of over \$100,000.00 for the period ending June 30, 2000. The average company made a profit of \$33,469.00.

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

Salaries are a major company expense, amounting to about 26% of total operating income. The average salary expense for each company is \$67,017.00.

Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 6.8% of total operating income and about 23% of receivables as of June 30, 2000.

As of June 30, 2000, the industry made a return on assets of 14.8% based on total assets and a return on equity of 20.6%.

ii. Transactional Data

Number of Receivable Transactions	2,458,450
Dollar Amount of Transactions during the Year	\$386,474,599
Average Size of Receivable Transactions	\$ 168

Number of Transactions by Size of Check:

\$ 1 – \$150	460,789
\$151 – \$250	1,964,918
\$251 – \$500	32,743

iii. Data from this Year's Annual Report is shown side by side with 1998/1999 for comparison:

	<u>2000</u>	<u>1999</u>	<u>1998*</u>
Number of Licenses	846	700	605
Total Assets \$80,962,486	\$51,864,372	\$43,046,000	
Total Liabilities	\$22,905,093	\$12,884,695	\$13,925,000
Net Worth	\$58,057,393	\$38,979,681	\$29,121,000
Total Operating Income	\$92,754,337	\$60,476,544	\$56,234,000
Salary Expense	\$23,992,891	\$13,341,234	\$13,791,600
Salary Expense: Op. Income	23%	22%	24.5%
Bad Debt Expense	\$ 6,289,839	\$ 4,214,320	\$ 5,161,200
Bad Debt Expense: Op. Income	6.8%	6.9%	9.2%
Net Income after Tax	\$11,981,884	\$10,337,781	\$ 4,900,200
Rate of Return on Assets	14.8%	19.9%	11.4%
Rate of Return on Equity	20.6%	26.5%	16.8%
Number of Receivable Transactions	2,458,450	1,845,273	1,222,962

*In 1998, two companies had sizeable losses attributable to large legal settlements. With these companies excluded, the remaining businesses had annualized net income of \$8,182,900; total assets of \$36,006,000; and total net worth of \$26,937,000. On this basis, the industry had a return on assets of 22.7% and a return on equity of 30.4%.

IV. MONEY TRANSMITTERS

The activities of Money Transmitter companies are governed by "The Tennessee Money Transmitter Act of 1994", codified as T.C.A. Title 45, Chapter 7. There are exemptions that apply to certain government agencies, as well as business organizations. See T.C.A. § 45-7-204.

A. Licensing

Each applicant for a license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000.00 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000.00 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000.00. The applicant must demonstrate such experience, character, and general fitness as to command the

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

confidence of the public and warrant the belief that the business to be operated thereunder will be operated lawfully and fairly. As of December 31, 2000, we had licenses for 33 locations.

B. Examinations

Examinations of money transmitters are conducted pursuant to T.C.A. § 45-7-214. The Commissioner, in lieu of an on-site examination, may accept the examination report of an agency of another state, or a report prepared by an independent accounting firm, and reports so accepted are considered, for all purposes, as an official report of the Commissioner.

V. INDUSTRIAL LOAN AND THRIFT COMPANIES

Consumer loan companies and some mortgage brokers operate under The Industrial Loan and Thrift Companies Act, codified as T.C.A. Title 45, Chapter 5. The stated purpose of the Act is to allow citizens to have the services of regulated lending institutions at rates and charges reasonably commensurate with economic realities. This Act authorizes those companies that obtain a certificate of registration to charge rates and fees somewhat higher than what may be charged under the State's General Usury statutes. While the Act allows higher interest rates, it also contains many consumer protection provisions particularly with respect to loan charges.

A. Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000.00 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. At the end of year 2000, there were 842 locations licensed under the Act.

B. Examinations

We conducted 673 examinations resulting in refunds of \$307,163.49 to 6,722 consumers. We examined 80% of the licensed locations. Special examinations were conducted frequently as a result of complaints filed with the Department.

C. Complaints

There were 18 complaints filed and resolved in 2000. A total of \$2,540.00 was refunded to consumers as a result of these complaints.

D. Annual Report Information

Pursuant to T.C.A. § 45-5-503, each registrant must file with the Commissioner by no later than July 31st of each year, an annual report showing basic financial information as to the registrant's operations. The information in the following Exhibits were derived from those reports covering the time period of January 1, 1999 – December 31, 1999.

- i. Industrial Loan & Thrift Companies with loans less than \$300.00
- ii. Industrial Loan & Thrift Companies with loans greater than \$300.00
- iii. Industrial Loan & Thrift Companies Composite Annual Report

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

INDUSTRIAL LOAN AND THRIFT COMPANIES

Composite Annual Report

Year Ending December 31, 1999

	December 31, 1999	December 31, 1998	December 31, 1997
Number of Offices Included in this Report	604	719	723
Number of Employees in State at Year-end	2,161	2,777	2,960

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$1,768,944,526	\$1,749,519,280	\$1,715,151,645
Net Income	\$10,224,223	\$14,122,016	\$38,351,232
Rate of Return	0.57%	0.80%	2.23%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$388,987,083	\$402,754,204	\$404,674,467
Average Monthly Rate Collected	1.83%	1.91%	1.96%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	455,818	464,682	486,295
Total Expenses	\$378,762,860	\$388,632,188	\$366,323,235
Average Monthly Expense Per Account	\$69.25	\$69.70	\$62.75

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$388,987,083	\$402,754,204	\$404,674,467
Total Expenses Before Income Taxes	\$376,627,023	\$380,180,626	\$352,517,513
Income Before Income Taxes	\$12,360,060	\$22,573,578	\$52,156,954

OTHER INFORMATION

Number of Loans Made During the Year	801,440	793,849	840,643
Dollar Volume of Loans Made During the Year	\$1,665,512,084	\$1,779,763,424	\$1,938,506,356
Bad Debts	\$65,884,713	\$63,986,962	\$67,867,313
Bad Debts – Number of Accounts	47,537	43,321	51,254

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INDUSTRIAL LOAN AND THRIFT COMPANIES

Loans Less Than \$300 Year Ending December 31, 1999

	December 31, 1999	December 31, 1998	December 31, 1997
Number of Offices Included in this Report	20	719	723
Number of Employees in State at Year-end	76	2,777	2,960

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$4,006,022	\$1,749,519,280	\$1,715,151,645
Net Income	\$728,077	\$14,122,016	\$38,351,232
Rate of Return	18.18%	0.80%	2.23%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$4,811,726	\$402,754,204	\$404,674,467
Average Monthly Rate Collected	10.00%	1.91%	1.96%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	26,841	464,682	486,295
Total Expenses	\$4,083,649	\$388,632,188	\$366,323,235
Average Monthly Expense Per Account	\$12.68	\$69.70	\$62.75

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$4,811,726	\$402,754,204	\$404,674,467
Total Expenses Before Income Taxes	\$4,027,374	\$380,180,626	\$352,517,513
Income Before Income Taxes	\$784,352	\$22,573,578	\$52,156,954

OTHER INFORMATION

Number of Loans Made During the Year	174,578	793,849	840,643
Dollar Volume of Loans Made During the Year	\$31,207,237	\$1,779,763,424	\$1,938,506,356
Bad Debts	\$718,740	\$63,986,962	\$67,867,313
Bad Debts – Number of Accounts	5,419	43,321	51,254

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

INDUSTRIAL LOAN AND THRIFT COMPANIES

Loans Greater Than \$300

Year Ending December 31, 1999

	December 31, 1999	December 31, 1998	December 31, 1997
Number of Offices Included in this Report	584	719	723
Number of Employees in State at Year-end	2,085	2,777	2,960

REGULATED ENTITIES PROFIT PERCENTAGE

RATE OF RETURN

Average Net Receivable	\$1,764,938,504	\$1,749,519,280	\$1,715,151,645
Net Income	\$9,496,146	\$14,122,016	\$38,351,232
Rate of Return	.54%	0.80%	2.23%

ANALYSIS OF CHARGES ON LOANS

Charges Collected and/or Earned	\$384,175,357	\$402,754,204	\$404,674,467
Average Monthly Rate Collected	1.81%	1.91%	1.96%

ANALYSIS OF EXPENSE PER ACCOUNT

Average Number of Accounts Outstanding	428,977	464,682	486,295
Total Expenses	\$374,679,211	\$388,632,188	\$366,323,235
Average Monthly Expense Per Account	\$72.79	\$69.70	\$62.75

STATEMENT OF INCOME AND EXPENSES

Total Operating Income	\$384,175,357	\$402,754,204	\$404,674,467
Total Expenses Before Income Taxes	\$382,599,649	\$380,180,626	\$352,517,513
Income Before Income Taxes	\$11,575,708	\$22,573,578	\$52,156,954

OTHER INFORMATION

Number of Loans Made During the Year	626,862	793,849	840,643
Dollar Volume of Loans Made During the Year	\$1,634,304,847	\$1,779,763,424	\$1,938,506,356
Bad Debts	\$65,165,979	\$63,986,962	\$67,867,313
Bad Debts – Number of Accounts	42,188	43,321	51,254

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS

VI. INSURANCE PREMIUM FINANCE COMPANIES

The activities of Premium Finance Companies are governed by the “Premium Finance Company Act of 1980”, codified as T.C.A. Title 56, Chapter 37. “Premium Finance Company” means a person engaged in the business of entering into premium finance agreements or acquiring premium finance agreements from other premium finance companies. “Premium finance agreement” means an agreement by which an insured, or prospective insured, promises to pay to a premium finance company the amount advanced, or to be advanced under the agreement to an insurer or to an insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge as authorized and limited by this Chapter.

A. Registration

To obtain a license, an applicant must, pursuant to T.C.A. § 56-37-104(b), be competent and trustworthy, act in good faith, have a good business reputation, experience, training or education in this business. Furthermore, if the applicant is a foreign or domestic corporation, LLC, or limited partnership, it must be authorized to conduct business in this state. At the end of the year 2000, there were 73 companies licensed under the Act.

B. Examinations

We conducted 11 examinations, representing 48% of the licensed offices located in Tennessee.

C. Complaints

No consumer complaints were received on Premium Finance Companies in the year 2000.

VII. RESIDENTIAL MORTGAGE LENDERS, BROKERS, AND SERVICERS

The activities of Residential Mortgage Lending, Brokering, and Servicing companies are governed by the “Tennessee Residential Lending, Brokerage and Servicing Act of 1988”, codified as T.C.A. Title 45, Chapter 13. T.C.A. § 45-13-103(a) expands this further by stating “no person shall engage in the business of making mortgage loans, nor shall any person engage in the business of being a mortgage loan broker in this state, nor shall any person engage in the business of being a mortgage loan servicer in this state, without first obtaining a license from the Commissioner of filing a registration statement under this Chapter”. Certain companies may be exempt under criteria explained in T.C. A. § 45-13-103.

A. Registration

To obtain a certificate of registration, an applicant must maintain a net worth of at least \$25,000.00 and demonstrate sufficient character to command the confidence of the public and warrant the belief that the applicant will operate its business lawfully and fairly. At the end of year 2000, there were 1,113 companies licensed under the Act with 479 branches.

B. Examinations

We conducted 51 examinations resulting in refunds of \$1,241.80 to consumers. We examined 4.58% of the licensed companies.

C. Complaints

There were 123 complaints filed and resolved in the year 2000. As a result of these complaints, we refunded a total of \$13,579.31.